

CITY OF TSHWANE

ANNUAL REPORT

2007/2008





City of Tshwane Annual Report 2008/2009

Panorama of the Union Buildings
and the surrounding gardens





VISION & MISSION

» OUR VISION

Our Vision is for Tshwane to be the leading African capital City of Excellence that empowers the community to prosper in a safe and healthy environment.

» OUR MISSION

Our Mission is to enhance the quality of life of all the people of Tshwane through a developmental system of local government and by rendering efficient, effective and affordable services.

» OUR VALUE SYSTEM

Our Value System has been developed to guide each employee on a daily basis to realise the vision of the City of Tshwane. The value system consists of the following values:

- Community orientation: Provide and deliver sustainable services for the whole community based on needs assessments.
- Transparency: Invite and encourage public sharing and democratic participation in the Municipality's activities.
- Commitment: Focus and concentrate on the Municipality's core activities in a consistent manner.
- Business orientation: Subscribe to and comply with the best business practices.
- Accountability: Report regularly to all stakeholders regarding the Municipality's performance.
- Integrity: Conduct the Municipality's business in a fair, responsible, flexible, equitable and honest manner.
- Non-racialism and non-sexism: Promote mutual respect and non-discriminatory policies and practices.

» STRATEGIC FOCUS AREAS

The strategic focus areas of the City of Tshwane are based on a manifesto mandate, which also outlines target dates for the delivery of specific basic services to all residents. These strategic areas are:

- Providing quality basic services and developing infrastructure, with priority being given to communities in the northern parts of the city where there are huge backlogs, whilst ensuring that infrastructure is maintained in all other parts of the city.
- Achieving a higher economic growth rate to ensure that more sustainable jobs are created

and the city becomes more globally competitive.

- Promoting thriving, sustainable communities jointly with other stakeholders through programmes that assist those vulnerable to poverty, and ensuring that the city is clean, healthy and safe.
- Fostering participatory democracy by encouraging involvement in the day-to-day affairs of the city and observing the principles of Batho Pele by providing a caring, accessible and accountable service.
- Fast-tracking the transformation of the Municipality as an institution so that it promotes good governance and high ethical standards; sustains financial viability; and ensures that the staff are more representative of the society they serve, and so that capacity to execute mandates is built in through a performance-based approach.

The above strategic focus areas are guided by the long-term goals outlined in the City's Development Strategy. These are to:

- Deliver on the manifesto and mandate to improve the quality of life of the people of Tshwane and to make local government work better;
- Ensure continuity and change by building on the successes of the past term and to review and align them to new strategic objectives;
- Achieve state-led development through an effective inter-governmental relations framework that capitalises on available resources to optimise capacity;
- Foster sustainable integrated development focusing on economic, social and environmental priorities;
- Provide quality services, implement the Batho Pele principles and achieve people-centred development;
- Build the City of Tshwane's institutional capacity to be efficient, financially viable and aligned to the constitutional requirements for transformation;
- Ensure good governance that fosters participatory democracy, transparency, accountability and decisive action against corruption;
- Develop strategic partnerships with civic organisations, business, labour movements, communities and other institutions in the City to ensure a common vision;
- Use e-governance as a means of making government accessible to the people; and
- Capitalise on the capital status of the City and the various relations with other cities locally and internationally.



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CHAPTER ONE


INTRODUCTION AND OVERVIEW

» 1.1 FOREWORD BY THE EXECUTIVE MAYOR

As a service to our City and as a tribute to the veterans of our democracy and freedom, we renewed our commitment to the 'business unusual' approach for the 2007/8 financial year. This Annual Report presents the successes and progress that we have achieved through partnerships with resident communities, business and various stakeholders. We thank you all for your support and indeed; working together we can and we will do even more!

Of the many highlights this year, the most humbling for the Council and this capital of the Republic of South Africa, is the acceptance of the Award of the Freedom of the City of Tshwane by his Excellency Mr Nelson Rolihlahla Mandela. We are hopeful that through this award all of us will continuously be inspired by the legacy of his life and that of other veterans. The legacy of having courage to sacrifice for peace, freedom and justice as well as passion of celebrating life through service to humanity – especially for the benefit of those most vulnerable amongst us.

The year under review has been one full of progress and yet presented with challenges at local, national and international fronts. The global financial crisis that commenced at the beginning of the year and escalated rapidly affected every country, sector and to a large extent; every household. The national electricity load shedding interventions also highlighted that our natural resources as well as our planning capacity have not kept up with the extent and speed of service delivery as reflected by the high household and business energy demands locally and nationally. Yet another awakening is that development must be sustainable, responsible and mindful of the legacy that we would all wish to leave behind for future generations.



Despite these challenging times, that include the rapid population increase as indicated by the Statistics South Africa Community Survey conducted in 2007, we remained focused on improving services to more than half a million customers; supporting over 40 000 indigent households and continually strived to nurture an investor friendly environment. Access to potable water increased to 97% of the population; thus enabling us to be on schedule to meet the National Target of December 2008. Over and above other initiatives meant to assist us in keeping with our commitment to make Tshwane a Child Friendly City, eighty crèches were supported.

Included in the report are numerous awards of excellence that the City received. On behalf of the Mayoral Committee, Council and all our people we thank all employees that went beyond the call of duty as public servants. We will build on these achievements and draw lessons from the challenges we came across. Together we can do even more in building a caring, efficient and developmental City!

Dr GM Ramokgopa

Executive Mayor



» 1.2 EXECUTIVE REVIEW BY THE CITY MANAGER

With the promulgation of the Municipal Structures Act of 1998, a new era of local government came into being. This resulted in the implementation of a new local government system in 2000 and the ushering in of pioneer local government councils, as well as the amalgamation of 13 City and Town Councils in what was known as the Greater Pretoria area into the City of Tshwane.

To optimally restructure the institution, the Council opted for the Alternative Service Delivery (ASD) model to drive the efforts of the new structure.

In the year under review; the amalgamation and restructuring process was completed resulting in the stabilisation of the new organisational structure as well as the establishment of 5 regions to realise our goal of bringing government closest to the people.

The 2007/08 year saw significant achievements for the City of Tshwane, in spite of the fiscal challenges such as escalating inflation, a weak exchange rate and an overall low national productivity rate which adversely affected many of our households. Despite these challenges, Tshwane still managed to achieve an above-average economic growth, as predicted in the Executive Mayor's State of the City Address in March 2008.

Our vision as the City of Tshwane is to be the leading international African Capital City of Excellence that empowers the community to prosper in a safe and healthy environment. We plan to achieve this through a developmental system of local government and the rendering of efficient, effective and affordable services. In order to realise our vision and succeed in our mission we have articulated our goals in five strategic objectives:

1. To provide quality basic services and develop infrastructure;
2. To accelerate higher and shared economic growth and development;
3. To fight poverty, building clean, healthy, safe and sustainable communities;
4. To foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service; and
5. To ensure good governance, financial viability and optimal institutional transformation with the capacity to execute our mandate.

Throughout the year we have monitored and evaluated ourselves against these goals by keeping track of key performance areas; key performance indicators and targets as contained in the five-year City scorecard (the detail of which is found in Chapter 1).

We note progress in Productivity; Financial Stability; Overall Management of the Municipality and Corporate Governance. This indicates significant progress in driving the Municipality even closer to its goal to be Africa's leading capital City of Excellence.

A major step forward in public participation in line with legislative requirements and the principles of Batho Pele was achieved with the finalisation of the Stakeholder Management Framework, which will deepen participatory democracy in the Tshwane metropolitan area. Improved public consultation will go a long way towards enhancing the culture of paying for services and building cooperation between the Municipality and the Community.

The Republic of South Africa is facing energy shortages as the national supplier; ESKOM is struggling to meet all our energy requirements. This is further exacerbated by escalating electricity tariffs. To placate the impact of this situation, the CoT has innovative schemes such as increasing delivery of non-conventional sources of electricity such as gas and solar energy to ease the pressure on energy providers and pave the way to more effective, reliable service delivery in future.

Along with the rest of the country we look forward to a successful 2010 World Cup tournament when the international spotlight will fall on South Africa. The CoT is geared up and will be ready for both the Confederation Cup in 2009 and the FIFA Soccer World Cup in 2010. Fighting the scourge of crime remains a high priority not only to improve the safety of our communities, but also to safeguard international visitors who will be descending on the City for the tournament. The legacy of the Soccer World Cup is that it has been a catalyst for infrastructure upgrades and this has consequently made our residents the prime beneficiaries of improved roads and services that they will enjoy for years to come.

We trust that our determination to enhance the quality of life of the people of Tshwane will be evident from the contents of this Annual Report and I am pleased to present it to our community and stakeholders.

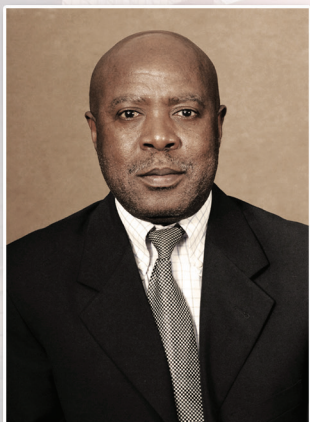
Regards,

Kiba Kekana

City Manager



1.3 » ORGANOGRAM



K Dau
Speaker



Dr GM Ramokgopa
Executive Mayor



T Komane
Chief Whip



T Ernest
MMC: Agriculture and
Environmental
Management



N Mokwena
MMC: City Planning,
Development and Regions



B Lehobye
MMC: Community Safety



G Thwala
MMC: Corporate and
Shared Services



Z Masondo
MMC: Sports, Recreation
Arts & Culture



S Pillay
MMC: Public Works and
Infrastructure Development



AM Ditshoke
MMC: Housing and
Sustainable Human
Settlement Development



S Thihe
MMC: Health and Social
Development



P Chueu
MMC: Economic
Development



WB Mahlangu
MMC: Finance

» 1.4 REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 30 June 2008.

The Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003), requires that the Audit Committee meet at least four times a year. During the financial year under review, six meetings were held. In addition to that, meetings were held with the Executive Mayor, City Manager, Auditor General as well with the Internal Auditors' Office. Matters that were discussed at such meetings include issues related to Performance Management and Evaluation; Risk Management; Internal Control; Governance Process and Financial Reporting.

The attendance record for members of the Committee was as follows:

Name of Member	Number of meetings held during the year	Number of meetings attended during the year
Mr K. Buthelezi (Chairperson)	6	6
Ms. K Rapoo	6	5
Mr M.G. Rangongo	6	5
Mr. R.T. Tshimomola	6	5
Ms V. Pillay	6	6
Mr P. Chwene	6	5

Audit Committee Responsibility

The Committee reports that it has as far as possible complied with its responsibility arising from its Terms of Reference including the relevant legislative requirements.

Efficiency and Effectiveness of Internal Control

The deficiency and shortcomings reported by Internal Audit and the Auditor-General as well as matters brought to the attention of the Accounting Officer by way of informal queries and management letters indicates that the internal checking and control measures did not function adequately in various respects during the year under review. Accordingly, the Auditor-General has not placed any reliance on the internal controls in the finalisation of the year end audit.

There was notable improvement in the control environment through the establishment of the Municipal Public Accounts Committee (MPAC) and the Oversight Committee that assisted the Council in ensuring appropriate standards in terms of handling public funds and serving in public office.

In addition, delegation of authority and the assignment of responsibility within the organisation were also more clearly defined.

Furthermore the Committee has reviewed the Internal Audit Structure to enhance the internal control environment of the City. The Committee further would like to acknowledge and appreciate the support from the Mayoral Committee particularly, the Executive Mayor in this initiative.

Risk Management

While progress has been made in the establishment of the Risk Management Structure and Framework, a formal Enterprise Wide Risk Management function and process was not established and implemented for the year under review. This includes the establishment of a Risk Committee and the development of a Risk Management Policy.

In order to enhance the Risk Management process of the Municipality, the City is in the process of relocating the Risk Management Unit to the City Manager's Office so that it can work independently and comply with relevant the legislation.

Performance Measurement

Management Reports:



The Committee noted an improvement in the method of reporting the performance of the City.



Performance Management

While the Committee acknowledges improvements in the Performance Management System, it draws attention to the highlighted areas of non-compliance as contained in the Auditor-General's report and the Internal Audit Control environment report, which include the following:

- Non-compliance with regulatory requirements;
- No correlation between performance targets and the IDP;
- Targets inconsistent between IDP and annual performance report;
- Lack of sufficient appropriate audit evidence to support the actual targets achieved on 'Providing quality basic services and infrastructure';
- Lack of sufficient appropriate audit evidence to support the actual targets achieved on 'Providing quality basic services and infrastructure';
- Inconsistent with report relating to unaccounted water as per the water and sanitation report; and
- Incomplete performance information submitted on the performance relating to the municipal entities.

Furthermore, the annual performance report submitted for audit purposes on 31 August 2008

was incomplete and did not; in all instances include essential information as required by the relevant laws and regulations.

Review and Evaluation of the Annual Financial Statements

The financial statements are prepared according to Basics of Accounting as determined by the National Treasury and as set out in the Accounting Policy (please note 1 from the Basics of Accounting applicable to the Municipalities in terms of General Notice 552 of 2007, issued in Government Gazette 30013 of 29 June 2007 and in a manner required by the MFMA). The Committee draws attention to other matters that are contained in the Auditor-General's report.

The Committee has-

- reviewed the Consolidated Audited Annual Financial Statements for the year ended 30 June 2008;
- noted the actions taken by Management in respect of the previous year's qualification and emphasis of matter paragraph;
- reviewed responses by Management to the Management Report that was issued by the Auditor-General;
- noted that the Consolidated Financial Statements include the results of all Municipal entities; and
- taken cognisance of property rates and property values as well as property, plant and equipment for continuous monitoring.

Conclusion

The Committee concurs and accepts the Auditor General's report on the Annual Financial Statements for the year ended 30 June 2008. The Committee is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the reports of the Auditor-General.

The Committee fully supports the City on its journey of improved service delivery and a successful Confederations Cup and 2010 FIFA Soccer World Cup 2010 soccer events.

Mr K. Buthelezi

Chairperson of the Audit Committee

» 1.5 INTRODUCTION

Tshwane is the smallest of South Africa's nine provinces, Gauteng (Sotho for "place of gold"). Tshwane's neighbouring provinces are the North West Province, Mpumalanga and Limpopo.

The City has about 10 inhabitants per hectare. The population of almost 2 million people has on average the highest educational level in the country. The projected annual growth of the population between 1996 and 2001 was 4,1%, which was substantially higher than the national average of 2.1%.

According to the last Census that was conducted in 2001, the home language profile of Tshwane indicates that the most widely used home language is Sepedi, followed by Afrikaans, Setswana, Xitsonga, isiZulu and English. These six languages account for 84.68% of the population.

Financially, the City of Tshwane is currently one of the healthiest municipalities. It has been awarded the highest short-term rating possible, an A+ long-term credit rating from CA Ratings, which means its outlook is strong, and an A short-term rating, which means it is stable.

The ratings are based on the City of Tshwane's ability to meet its long-term commitments, its short-term liquidity and its level of administrative, executive and political stability.

The strategic focus areas of the City of Tshwane are based on a policy mandate with clearly defined target dates for the delivery of specific basic services to all residents. These strategies are aimed at:

1. Providing quality basic services and infrastructure

The City of Tshwane upholds the provision of and access to basic services as a human right according to our country's internationally acclaimed Constitution.

The following primary service delivery and infrastructure development achievements are noted (see also the Executive Summary on p 19):

Housing	Number of houses handed over to targeted recipients of low-income housing	6 152
Electricity	Number of houses in the Electricity Service Authority area that were provided with a legal electricity connection for the first time	22 777
Water	Number of houses in the Water Service Authority area that were provided with water for the first time (potable water within 200 m of the dwelling)	23 168

The following special projects have been raising the quality of life in specific communities:

TSOŠOLOŠO: This is one of the lead programmes of the City's Development Strategy. It is aimed at improving the quality of public spaces and creating economic opportunities in disadvantaged areas, with particular attention to nodal interchanges and urban cores such as Saulsville CBD, Mabopane Station, Eerste Fabrieke Station Town Centre and Hammanskraal.

A contract for funding the programme has been concluded with National Treasury. Business Plans have been developed for 47 projects and detailed design frameworks have been completed for the Denneboom and Mabopane station areas and the Eerste Fabrieke Town Centre.

GAUTRAIN STATIONS: The Gautrain Rapid Rail Link is destined to be the largest public investment project in Gauteng and indeed in South Africa. There is wide-scale interest from private sector developers to develop infrastructure around the three stations in Tshwane (Centurion, Pretoria and Hatfield). A large number of applications have already been lodged, or are in the process of being finalised for a variety of developments in these areas. Certain developments are already in the construction phase.

TSHWANE INTERNATIONAL CONVENTION CENTRE: In August 2002, the City of Tshwane approved the development of the Tshwane International Convention Centre (TICC) as a Public-Private Partnership (PPP) in principle.

This Special Mayoral Project will cost an amount of R3,5 billion and yield a gross lettable area larger than 240 000 m². The City of Tshwane's investment of R220 million will produce a capital investment worth nearly 16 times the current market value of the land, in addition to economic and social benefits. The project is estimated to create 10 000 jobs, of which half will be permanent. The temporary jobs will provide capacity-building and skills transfer opportunities. Beyond this, the City of Tshwane will receive substantial additional rates revenues and, as a result, will boast over R80 million in additional infrastructure, with excess capacity to attract and serve additional development in the area.

TSHWANE TOWN PLANNING SCHEME, 2008: The Land Use Legislation and Application Management Section produced the first consolidated and modern Town Planning scheme in Gauteng and South Africa. The Tshwane Town Planning Scheme, 2008, an in-house project developed over five years, was completed on 19 June 2008. The design is the basis for the new Tshwane Land Use Management System and will no doubt influence legislation in this field.

2. Accelerate higher and shared economic growth and development

Special projects were also introduced to stimulate local economic development, in particular, entrepreneurial development, during 2007/08.

ENTREPRENEURIAL SKILLS TRAINING FOR INFORMAL FRESH PRODUCE RETAILERS: The need to assist informal traders with sound business principles and customer retention resulted in the training of 60 traders who were trained on Small Business and Administration Management; Post-Harvest Technology and Product Knowledge; as well as Food Safety and Personal Hygiene. The offshoot of the training was the creation of 28 additional jobs in the handling and distribution of Fresh Produce to various regions in the Tshwane area.

3. Alleviate poverty and build clean, healthy, safe and sustainable communities

The increasing unemployment and poverty among the residents of Tshwane were eased when the Energy and Electricity Department offered 28 382 temporary jobs under the supervision of the Department of Labour. R4,4 million was spent on Job Creation (hourly rates) and a further R2,2 million was obtained from the Department of Labour to assist the Municipality in facilitating Skills Training. Electricity was supplied to more than 11 250 households and more than 2 000 street lights were installed. The Sport, Recreation, Arts and Culture (SRAC) Department spent R63 393.168 (90% of the capital budget) on its BEE Development Plan.

The following special projects were introduced to deliver community facilities:

- Nellmapius Community Centre: Indoor and outdoor sport centre: 65 temporary jobs created;
- Atteridgeville Super Stadium: 254 temporary jobs created;
- Ga-Rankuwa Library: 34 temporary jobs created, 90% of budget spent;
- Temba Sport Complex: 22 temporary jobs created (100% of budget spent – R1,500 000);
- Soshanguve Giant Stadium: 75 temporary jobs created, and 5,100 person days local labour employed; and
- West End Disabled Sport Facility: Upgrading of sleeping quarters.

4. Ensure good governance, financial viability and optimal institutional transformation with the capacity to execute the mandate

The principles of the Municipal Finance Management Act (MFMA) have been incorporated into the Revenue Enhancement Strategy – a project that is undertaken in collaboration with PricewaterhouseCoopers, which will enable the City of Tshwane to implement speedily and the remainder of the infrastructure backlog. This strategy will deliver R2 billion in savings or new income over three years.

The Development Process, which runs concurrently with the Risk Management and Internal Control System (RMICS), contributes to the long-term financial sustainability of the City of Tshwane. These projects are directly responsible for the production of income from the rates base, and will ensure sound and sustainable financial management.

5. Fostering participatory democracy

One of the pillars of the City of Tshwane's five-year strategic business plan, namely to foster participatory democracy, is sustained by the dynamic and ever developing relationship that the City of Tshwane continues to nurture with various stakeholders. The non-government sector is supportive and interest shown by the business sector remains an inspiration. At an organisational level, community participation displayed, together with dedicated councillors and staff ensured the success of our projects and developments.

» 1.6 OVERVIEW OF THE MUNICIPALITY

The City of Tshwane is governed by the Executive Mayor and the ten members of the Mayoral Committee. Acting as a local Cabinet, their task is to implement the political mandate to improve the socio-economic conditions of the people of Tshwane. The Municipal Manager and Chief Operating Officer, assisted by the Strategic Executive Officers manage the following departments:

1. Metropolitan Police;
2. Economic Development;
3. Marketing and Tourism;
4. Social Development;
5. Corporate Services;
6. Emergency Management Services;
7. Service Delivery;
8. Legal Services;
9. Finance; and
10. City Planning, Housing and Environmental Management

The Council of the Municipality consists of elected Councillors from the City's 76 wards, and the administrative structure consists of appointed staff members.

Geographical area

The Gauteng Province covers a geographical area of 17 010 km² (1.4% of South Africa), while the City of Tshwane Metropolitan Municipality covers an area of 2 198 km² (almost 65 km long and 50 km wide). The 2,2 million residents inhabit the municipal areas of:

Pretoria	Akasia	Soshanguve
Centurion	Mabopane	Atteridgeville
Ga-Rankuwa	Winterveld	Hammanskraal
Temba	Pienaarsrivier	Crocodile River
Mamelodi		

Demographic profile

Total population (individuals):

Year	Number	Growth (%)
* 2001	1 985 982	-
2002	2 029 670	2,2
2003	2 074 320	2,2
2004	2 119 960	2,2
2005	2 172 960	2,5
2006	2 227 284	2,5
2007	2 345 908	5,3
Source: *Stats SA (Census 2001), updated by annual household/community surveys		

Growth in the total population (individuals and households):

Persons		Households	
Census: 2001	Community survey: 2007	Census: 2001	Community survey: 2007
1 982 235	2 345 908	561 771	686 640
% Growth 2001 – 2007:	18,3%	% Growth 2001 – 2007:	22,2%

» 1.7 EXECUTIVE SUMMARY

The year under review was one of considerable success for the City of Tshwane and this was acknowledged by means of local and international awards across a broad spectrum of areas. The major drive continued to be the eradication of service delivery backlogs.

Detailed reports on all departments can be found in Chapter 2 (Performance Highlights) and Chapter 5 (Functional Service Delivery). This summary highlights some of the major activities.

Worthy of particular noting are the following:

1. A total of 23 168 households were provided with water connections for the first time and 13 223 households were equipped with sanitation connections. Registered indigent consumers (47 774 households) received 12 kilolitres of water and yielded 5,88 kilolitres of waste water discharge each month, free of charge.
2. Considering that the Water and Sanitation Division's vision is to be the leading local government provider of sustainable, high-quality water and sanitation services on the African continent, an effective and efficient operation and maintenance of its vast infrastructure, which has a replacement value of R10 647 045 690 is required.
3. A total of 22 777 households received first-time electricity connections and free basic elec-

tricity has been provided to all the indigent consumers of Tshwane.

4. Among the achievements of the Housing and Sustainable Development Department are the handing over of 6152 new houses to targeted low-income recipients; and the number of rental units built over the past two years rose to 360.
5. Another success was the implementation of the Informal Settlement Management Plan and the Land Invasion Management Plan, which has been used as a benchmark by the Gauteng Province.
6. The Roads and Stormwater Division continued to eradicate backlogs at a constant pace, using 100% local labour for each project and creating 1 385 short-term jobs. A marked decline in fatalities and serious injuries from road traffic accidents bears testimony to the success of the City's policies and road safety projects.
7. Special programmes include ongoing cooperation on the Gautrain project, 11 projects directly linked to preparations for the 2010 FIFA World Cup, as well as turnkey projects for the eradication of roads and stormwater backlogs in Soshanguve and the rehabilitation of sinkholes in dolomite areas.
8. Additional projects undertaken with strategic partners include the Shova Kalula (Easy Ride) Cycle Project in Atteridgeville, and the provision/upgrading of internal roads and stormwater infrastructure in the three Top 20 townships of Tshwane, namely; Soshanguve, Mamelodi and Atteridgeville.
9. Environmental management continues to be a major focus for the City of Tshwane and a host of initiatives saw considerable progress in this regard.
10. Among others, the year under review saw the planting of 12 000 street trees on road reserves and the improvement of several resorts, including the new Klip/Kruisfontein Resort, Temba/Hammanskraal, Moretele Park, Ga-Mothakga Resort and Rietvlei Nature Reserve. A concerted effort to comply with the Conservation of Agricultural Resources Act (CARA) saw R3 million being allocated to this end.
11. Another important environmental development was the completion of the Environmental Management Framework (EMF) Zone of Choice (ZOC), which will go a long way towards fostering greater understanding and acceptance of land use policies and developing key strategies for sustainable development. The Tshwane Integrated Environmental Policy (TIEP) was also being implemented in terms of a five-year implementation plan ending in 2011, which will further cement efforts to conserve and improve the environment.
12. Recycling was another major area of focus, with one achievement being the recycling of around 19 tons of waste during the Pretoria Show. In addition, a law enforcement campaign led to numerous arrests, convictions and fines.
13. Preparations for the 2009 Confederations Cup and the 2010 FIFA World Cup remained high on the agenda for the Sport and Recreation Division. Activities in line with the Loftus Versfeld Stadium precinct plan are progressing well and a number of improvements to meet FIFA requirements were identified and completed. Training venues have been identified and are being developed to FIFA's standards to ensure that world-class facilities are provided in the underdeveloped parts of Tshwane.

14. A major step forward in alleviating poverty was the launching of a marketing campaign in support of a mass registration process to encourage members of the public to apply for inclusion in the indigent register. To date 17 100 new indigent households have been verified. Arrears of identified poor families unable to pay for municipal services have been scrapped and continued access by poor families to free basic services has been assured.
15. Additional strategies to enhance Social Services during the fiscal year include a five-year Integrated Childhood Development Strategy (ICDS) to guide municipal departments and city-wide organisations to create a child-friendly city, and the implementation and funding of numerous programmes to ensure the mainstream inclusion into society of the youth, women, people living with disabilities and the elderly, so as to decrease their vulnerability.
16. In the area of health services, challenges exist in respect of manpower and funding. However, some achievements included:
 - Clinics maintained the immunisation coverage in Tshwane at 95%, and 90% surveyed respondents indicated they were satisfied with the clinic environment and 84% were satisfied with the quality of healthcare of the professionals based there. Medicine availability was above 99% and vaccines were 100% available in clinics at all times.
 - The average time taken for Ambulance Services to respond to an emergency call for Priority 1 calls according to the set provincial norms and standards improved from 65% to 83%.
 - An HIV and Aids Employee Support Programme is rendering a counselling and disease management support service as well as a 24/7 health helpline to all employees.
 - The comprehensive Tshwane Aids Strategy 2007 – 2011 was approved by the Council on 29 November 2007.
- Community Safety Services continue to receive priority attention. Among the developments were the appointment of 350 recruits to the Tshwane Metropolitan Police Service (TMPS) during the first quarter of 2008 and a new By-Law Enforcement Centre (BEC). A Disaster Management Framework for the City of Tshwane has also been developed. The Fire Safety Section has seen a reduction in significant fire incidents and losses, despite manpower shortages, and fire safety objectives are being met.
- Among the numerous achievements of the Metropolitan Planning Section was the finalisation of the Tshwane Spatial Development Strategy: 2010 and Beyond. The Tsošološo Programme was conceptualised to improve the quality of life in marginalised areas and create more economic development opportunities for the local communities. Tshwane has been selected as a “strategic ally” by National Treasury, and around R17 million in funding for technical assistance has been approved. Another development has been the amalgamation of six town-planning schemes into a single scheme.
- One of the City’s most innovative initiatives is the Smart City Project, arguably the single most important vehicle for transforming the way people live, work and learn in Tshwane. Focusing on five key development clusters, the City of Tshwane will deliver on the Smart City Project with the support of strategic partnerships with entities including The Innovation Hub,

Blue IQ and the City of Oulu in Finland.

- A major event for the Local Economic Development Division was the inaugural Tshwane International Trade and Infrastructure Investment Conference (TITIIC) in May 2008, aimed at positioning Tshwane as a preferred tourism, trade and investment destination in South Africa. The City of Tshwane's visible presence in the Rosslyn Auto Supplier Park strengthened the interface with key stakeholders in the automotive industry, resulting in investments by companies including Ford Motor Company, TATA Motor Company and Nissan South Africa. Such initiatives re-affirmed the City of Tshwane's position as a key economic player in Gauteng and also highlighted the importance of a more integrated approach to local economic development between stakeholders at national and provincial government.
- Initiatives of the Agriculture and Environmental Management Department included the funding of various cooperatives, totalling R2,5 million. Additional major projects included the Winterveld Citrus Project, the Women In Cooperatives Project and the Household Food Security and Poverty Alleviation Programme. The Tshwane Fresh Produce Market, still the second largest market out of the 19 markets in South Africa, is completely self-sustainable and consistently achieves an operating surplus (anticipated to be at least R23 million for 2008/09).
- Key programmes promoting the tourism industry in Tshwane included the Tshwane Tourism Awards Programme 2007, which acknowledged and rewarded service excellence, the Tourism Indaba 2008, which saw a record number of delegates attending the year's show, township bed and breakfast grading, training and skills development of 15 SMMEs, and the erection of directional signage for tourism.
- The approved Human Resources Development Strategy was being implemented on an ongoing basis. Among its achievements were the 8 078 individuals who were trained in terms of skills priorities. One Integrated Transaction Processing System (OITPS) training was receiving separate, special attention.
- A major success of the Finance Department was its leading of the planning process for integrated, focused service delivery and the implementation of the Municipal Finance Management Act (MFMA) and National Treasury financial management reforms, ensuring the continuance of the Municipality's status as a leading pilot municipality in local government financial reforms.

The City of Tshwane achieved numerous accolades and awards during the financial year, including:

- 1st prize for the Roads and Stormwater Division in the International Road Federation's (IRF's) 2007 road safety awards drive for a project called "Development and Implementation of Road Safety Master Plans – an Inclusive Approach" in Ljubljana, Slovenia, in April 2008.
- The Environmental Policy and Resource Management Division harvested no less than 14 awards for the Municipality at the provincial Bontle ke Botho (BkB) 2007, among them the coveted Best Performing Metro 2007, for the second year running.



CHAPTER ONE: Overview of the Municipality

- Parks and Horticulture Services saw the City of Tshwane achieving a silver award at the Garden World Spring Festival in August 2007, and another silver award at the annual Sunday Tribune Garden and Leisure Show in Pietermaritzburg in October 2007.
- The 1st Gauteng Golden Circle Award for Best Municipality on Youth Development.
- Multilingualism and Nation Building Municipality of the Decade Award.



02

CHAPTER TWO

PERFORMANCE HIGHLIGHTS



Among the strategic focus areas of the City of Tshwane are the provision of quality basic services, the development of infrastructure and the achievement of a higher economic growth rate. The service delivery achievements of 2007/08 are discussed below.

» 2.1 ENERGY AND ELECTRICITY

The Energy and Electricity Department is responsible for providing a safe, effective and efficient supply of electricity to communities and customers within its licensed area of supply. This includes the generation of electricity, and the repair, maintenance, construction and development of the electricity network to serve all industrial, commercial and residential consumers in the licensed area of supply. Eskom supplies most of the areas to the north of the city, such as Ga Rankuwa, Winterveld and Mabopane. The achievements of the Department are:

- 11 250 completed and occupied houses electrified
- 5 152 completed and occupied houses in Winterveld electrified
- 6 375 new private connections added to the network
- 18 619 households that were not electrified were supplied with free alternative energy equivalent to 50 kW monthly.
- 2 651 residences were provided with prepaid meters.
- R251 213 170,00 was spent on the maintenance of electricity infrastructure.
- 100% of projects used local labour.
- 54 SMMEs were supported.
- 915 short-term jobs were created.
- The total income from electricity sales totalled R2 659 628 321.
- Power stations generated a total of 1 005 044 771 kilowatts.



- The energy system generated 9,789,883,844 kilowatts of which 8,783,839,973 kilowatts were Eskom purchases.
- This financial year the whole country experienced load-shedding owing to a shortage in electricity supply/generation by Eskom. This led to a tariff increase of about 27% being allowed by Nersa to assist Eskom with the building of new generation plants.

2.1.1 Level and standard of service ¹

The following levels of service apply:

- Formalised (unproclaimed) townships receive 20 A prepaid meter boxes and ready-board life-line connections free of charge.
- 50 kWh of free energy is provided per month.
- Underground (MV) and overhead (LV) networks are provided.
- High masts are installed in high-crime areas, open spaces, parks and public facilities such as Metrorail stations and taxi ranks.
- Street lights are installed on main bus routes and streets that are not illuminated by way of high masts, with the exclusion of private property, plots or agricultural holdings.
- Full service levels apply in proclaimed areas.

2.1.2 Free basic electricity

Free basic electricity has been provided to all the indigent consumers of Tshwane. The Tshwane supply area is divided into two supplier areas, namely the Tshwane Energy and Electricity and the Eskom supply area.

Free basic electricity of 50 kWh has been provided to all electricity consumers in these areas, and the City of Tshwane has paid for the free electricity of consumers in the Eskom areas.

¹ Service levels were approved by the Council on 25 January 2007.

2.1.3 Progress with eradicating backlogs

	30 June 2006				30 June 2007				30 June 2008			
	Required	Budgeted	Actual		Required	Budgeted	Actual		Required	Budgeted	Actual	
Electricity backlogs (GOKWH per month)												
Backlogs to be eliminated (number of households not receiving a minimum standard of service)												
Backlogs to be eliminated (percentage – households identified as backlogs/total number of households)	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%		0,0%	0,0%	0,0%	
Spending on new infrastructure to eliminate backlogs (R 000)		R36 989 000	R36 808 143			R85 600 000	R85 464 001			R42 555 000	R40 365 000	
Spending on the renewal of existing infrastructure to eliminate backlogs (R 000)	R435 000 000	R124 062 000	R123 184 798		R380 000 000	R144 848 000	R144 855 096			R138 995 000	R138 45,000	
Total spending to eliminate backlogs (R 000)	R435 000 000	R161 051 000	R159 99,941		R380 000 000	R230 448 000	R230 319 097		R960 000 000	R181 550 000	R178 817 000	
Spending on maintenance to ensure that no new backlogs are created (R 000)	R450 000 000	R226 387 882	R 160 466 070		R450 000 000	R195 526 054	R196 581 921		R480 000 000	R220 023 237	R249 625 174	

» 2.2 ROADS AND STORMWATER

The Roads and Stormwater Division is responsible for the construction and maintenance of roads in the Municipality's jurisdiction, excluding national and provincial roads which fall under the jurisdiction of national and provincial government departments. The Section achieved the following:

- 77,5 km of roads constructed towards the eradication of backlogs
- 89,8 km of stormwater drainage systems constructed towards the eradication of backlogs
- 51,7 km of roads provided for growth
- 35 km of stormwater systems provided for growth
- 2 927,7 km of surfaced and gravel roads maintained
- 13,5 km of stormwater drains maintained
- Six intersections improved
- 26 bridges rehabilitated
- 100% of projects used local labour
- 1 385 short-term jobs created
- 5 390 traffic signals upgraded and maintained
- R110 617 090 spent on the maintenance of infrastructure

2.2.1 Level and standard of service ²

The following service levels apply:

- Primary or local distributor roads (Classes 3 and 4) constructed to full level of service (7,4 m asphalt and kerbs)
- Class 5 (local roads) constructed to an intermediate level of service (4,5 to 6 m seal/slurry and edge beam/side drain)
- Full level of stormwater drainage for primary or local distributor roads (Classes 3 and 4)
- Varied levels of stormwater drainage for Class 5 (local residential roads) according to an approved Council decision-making model

2.2.2 Achievements

The following achievements are worth special mention:

International Road Safety Award

The City of Tshwane was awarded the first prize in the International Road Federation's (IRF's) 2007 road safety award drive for a project called "Development and Implementation of Road Safety Master Plans – an Inclusive Approach". The award was announced by the IRF on 23 April 2008 at a ceremony in Ljubljana, Slovenia.

² The Council approved service levels on 25 January 2007.

The City of Tshwane's project focused on the importance of an inclusive approach in the development of road safety master plans, incorporating engineering measures, law enforcement actions, and education and awareness programmes. The project is unique in the following respects:

The road safety master plans enabled the City of Tshwane to identify and focus on vulnerable road users, such as the youth, the poorer communities and the elderly. Youth and road safety campaigns were run at schools in collaboration with the Tshwane Metropolitan Police to create awareness that road accidents are the biggest cause of death internationally among people between the ages of 10 and 25 years. This is according to a study of the World Health Organisation.

Law enforcement and education programmes of the Tshwane Metropolitan Police supplemented the road safety master plans and helped to reduce fatalities and serious accidents in the city.

Fatalities and serious injuries from road traffic crashes in Tshwane showed a marked reduction: a 40% reduction in fatalities between 2002 and 2007, and more than 20% between 2006 and 2007 (from 271 in 2006 to 214 in 2007). The reduction in fatalities among the youth (6 to 20 years) from 28 fatalities in 2006 to 6 in 2007 was especially significant. Also, serious injuries involving the youth decreased from 238 in 2006 to 206 in 2007.

Launch of the Real Rovers/Serapeng Road

The purpose of this project was to provide an access road of about 0,96 km between Mamelodi East and Nellmapius Extension 6. It includes a road-over-rail bridge to cross the existing overhead-electrified single railway line. The total contract amount was R19,36 million, and the project was completed on 30 January 2008. The project spans Wards 18 and 40. With the assistance of two Community Liaison Officers, it was possible to maximise the local labour content and skills transfer opportunities created by the project. Skills transfer was achieved in respect of the laying of paving blocks, the construction of a loffelstein retaining wall, the laying of kerbs, the training of safety officers and the presentation of a safety induction course.

The project has the following benefits for the surrounding community:

- The road provides direct access for the developments south of the railway line to the Mamelodi Hospital, which is situated on the corner of Tsamaya Road and Serapeng Avenue.
- It provides improved access to the public transport facilities, schools and sport facilities developed along the Tsamaya Road Corridor.
- It provides more direct access from Tsamaya Road to the N4 and the eastern suburbs.
- It links the communities on opposite sides of the railway line.

Road Safety Campaign at schools

As part of the National Transport Month, October 2007, the Traffic Engineering and Operations Section launched the Youth and Road Safety Campaign on 1 October 2007 at Solomon Mahlangu School in Mamelodi.

About thirty schools identified by Ward Councillors were visited during the campaign by officials of the Traffic Engineering and Operations Section together with Metro Police officers, road safety officers of the provincial and national government and the Ward Councillors. The officials explained the importance of safety on the roads to identified learners. Relevant campaign posters and flyers were also handed out.

2.2.3 Special programmes

Gautrain project

The Roads and Stormwater Division is represented on the Gautrain Working Group relating to construction work in the Tshwane area. Among others, the division has to approve way-leave applications for work to be done in the public road reserve, traffic impact assessments, traffic signalling installations, temporary diversions and a host of other construction activities.

2010 FIFA World Cup™ projects

The Roads and Stormwater Division has a total of 11 projects directly linked to the preparations for the 2010 FIFA World Cup™. Design work has progressed well, and a number of EIA applications have already been submitted to the Gauteng Department of Agriculture and the Environment. R24,4 million of the total estimated cost in excess of R450 million has already been used on these projects. Construction is expected to start early in the new financial year.

Turnkey projects for the eradication of roads and stormwater backlogs in Soshanguve

Three turnkey contracts were awarded for the design and construction of roads and stormwater drainage systems in Soshanguve to eradicate the backlogs in the township. The combined total contract amount is about R134 million, and the construction sites were handed over to the contractors on 1 April 2008.

Although construction work only started in May 2008, R9,3 million (or 7% of the total contract amount) has already been spent on these contracts.

The contract period for these contracts is two years, but will probably be completed sooner. It is also the intention to award further turnkey contracts for upgrading roads and stormwater drainage systems in Soshanguve during 2009/10, if funds can be made available.

Rehabilitation of sinkholes in dolomite areas

The formation of sinkholes is caused by the erosion of fine subsurface material through water

infiltration into cavities that developed in the subsurface rock over long geological periods. The depths of these cavities and the volume of transported material these can accommodate determine the size of a sinkhole. The infiltration of water is a natural process, but is accelerated by development and the failure of service installations.

The amount from the operating budget of 2007/08 spent to rehabilitate sinkholes totalled about R3,75 million. Fortunately the developments on dolomite land have been identified as a corporate risk and a procedure has been approved to claim these costs from insurance.

2.2.4 Strategic partnerships

Shova Kalula (Easy Ride) cycle project in Atteridgeville

The Shova Kalula cycle project was initiated as a joint venture between the Department of Public Transport, Roads and Works (DPTRW) and the City of Tshwane. The project was then devolved to provincial level and the city entered into a partnership with the DPTRW.

The Department of Transport allocated 300 cycles to the City of Tshwane for the launch of the project, which took place in Atteridgeville on 29 October 2007, during Transport Month. The Minister of Transport also attended the launch. The cycles were handed over to learners and commuters on the day of the launch to stimulate cycle use in Atteridgeville as part of the Shova Kalula project. The aim of the project was two-fold: to assist needy children in Atteridgeville to commute to school and to encourage rail commuters to use cycling as a mode of transport to the stations.

During 2007/08 the city Roads and Storm Water Division constructed a total of 38,8 km of walkways and cycle tracks, of which 18 km was provided under the so-called Ward-based Project. Part of this is the provision and upgrading of internal roads and stormwater infrastructure in the three Top 20 townships of Tshwane, namely Soshanguve, Mamelodi and Atteridgeville.

The current project includes the construction of concrete side drains, kerbing, labour-intensive asphalt surfacing to correct drainage deficiencies and increase the lifespan of the road pavements, and pedestrian walkways on streets in Atteridgeville (six contracts) and Block H, Soshanguve (six contracts).

This will provide an improved and safer environment for the community. Local labour is employed on a temporary basis in terms of the Vuk'uphile principles and the Expanded Public Works Programme.

The implementing public body for the project is the City of Tshwane, Roads and Stormwater Division, and the total project value is R24 million (R2 million per learner contractor). The site was handed over on 15 October 2007.

2.2.5 Progress with eradicating backlogs

	30 June 2006			30 June 2007			30 June 2008			Planned for 2008/09	
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted
Backlogs to be determined (number of households not receiving a minimum standard of service)											
Backlogs to be determined (percentage – households identified as backlogs/total number of households)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Spending on new infrastructure to eliminate backlogs (R 000)	R 101 570 000	R 101 225 642	R 95 543 026	R 145 745 000	R 144 895 426	R 119 759 199	R 314 640 000	R 229 075 000	R 159 623 987	R 229 575 000	R 10 997 500
Spending on the renewal of existing infrastructure to eliminate backlogs (R 000)	R 88 094 000	R 87 614 000	R 84 802 602	R 100 500 000	R 91 626 082	R 78 046 552	R 182 233 000	R 232 456 000	R 218 661 856	R 226 535 000	R 35 655 700
Total spending to eliminate backlogs (R 000)	R 189 664 000	R 188 839 642	R 180 345 628	R 246 245, 00	R 236 521 508	R 197 805 751	R 523 873 000	R 460 531 000	R 378,285,843	R 456 110 000	R 346 653 200
Spending on maintenance to ensure that no new backlogs are created (R 000)	R 180 668 315	R 158 323 577	R 170 630 852	R 199 357 775	R 170 650 664	R 169 128 706	R 208 184 500	R 200 093 000	R 211 199 438	R 244 120 000	R 243 176 000
TOTALS: Spending to eliminate backlogs	R 189 664 000	R 188 839 642	R 80345 628	R 246 245 000	R 236 521 508	R 197 805 751	R 523 873 000	R 460 531 000	R 378 285 843	R 456 110 000	R 346 653 200
TOTALS: Spending on maintenance	R 180 668 315	R 158 323 577	R 170 630 852	R 199 357 775	R 170 650 664	R 169 128 706	R 208 184 500	R 200 093 000	R 211 199 438	R 244 120 000	R 243 176 000

» 2.3 TRANSPORT PLANNING

The Transport Development Division has as its vision the development of an integrated transport system that meets the needs of all people of Tshwane in a sustainable and affordable manner.

Wonderboom Airport, being a municipal airport, experienced further growth in aircraft movement (a record 136 400 movements were recorded for 2007, according to Air Traffic and Navigational Services (ATNS)). All possible attempts were initiated to ensure compliance with the Civil Aviation Authority's requirements regarding Wonderboom Airport's airport licence.

» 2.4 WATER AND SANITATION

The vision of the Water and Sanitation Division is to be the leading local government provider of sustainable, high-quality water and sanitation services on the African continent. Its mission is to add significant value to healthy and prosperous living in Tshwane through the provision of sustainable water and sanitation services of high quality.

The Division achieved the following:

- 11 168 households were provided with a water service to eradicate backlogs.
- 1 217 households were provided with a sanitation service to eradicate backlogs.
- 918 short-term jobs were created.

2.4.1 Level and standard of service

The City of Tshwane's water is supplied from external and its own sources. The external sources are Rand Water and Magalies Water, which in total supply 81,3% of Tshwane's water. The City of Tshwane supplies the remaining 18,7% from its own dams, boreholes and springs.

The table below gives a summary of the City of Tshwane's water supply assets, such as reservoirs, water towers, pumping stations and water pipelines.

Table: Water infrastructure

Water supply infrastructure		REGION IN TSHWANE						
		Southern	Central Western	Eastern	North East	North West	Outside of Tshwane	Total
Reservoirs	Number	24	36	28	15	23	7	133
	Total capacity (kl)	196 350	630 746	311 155	98 720	269 925	143 200	1 650 096
Water towers	Number	8	1	5	8	4	3	29
	Total capacity (kl)	3 742	0	1 797	2 680	1 336	868	10 423
Pumping stations	Number of pumps	35	8	32	28	7	12	122
Pipelines (bulk and network)	Length (m)	1 373 129	1 362 795	2 281 706	1 165 766	2 257 402	314 518	8 755 316
Pipeline networks	Length (m)	1 250 908	1 225 694	2 110 942	1 050 614	2 186 803	167 258	7 992 219
Pipelines: bulk	Length (m)	121 469	136 777	164 591	109 942	65 384	142 657	740 820
Pipeline schematics	Length (m)	752	324	6 173	5 210	5 215	4 603	22 277

Bulk water sources	MI per annum (06/07)
Rand Water (internal unit)	193 087
Rand Water (SWA)	24 156
Magalies Water (Klipdrift)	8 908
Temba WTP (Leeukraal Dam)	17 333
Roodeplaat WTP (Roodeplaat Dam)	17 483
Rietvlei WTP (Rietvlei Dam)	14 231
Springs and boreholes	22 885
TOTAL	298 083

Similar to the water supply system, the waste water system consists of a bulk system and an internal collector system, both of which are the property of the City of Tshwane.

Waste water is discharged to ten waste water treatment works with a combined capacity of 557 MI per day through about 290 km of bulk outfall sewers. The following tables provide a summary of the waste water treatment works and the sewer system:

Table: Waste water treatments works capacity

CAPACITY OF THE CITY OF TSHWANE WASTE WATER TREATMENT WORKS						
Region	Waste water treatment works	Discharge into stream or river	Capacity		2006/07	
			ML/day	%	Load (ML/day)	Spare capacity (ML/day)
Southern	Sunderland Ridge	Hennops	45	8	51	-6
Central Western	Daspoort	Apies	60	11	40,4	19,6
North East	Rooiwal	Apies	245	44	155,9	98,1
	Temba	Apies	12,5	0,3	6,6	5,9
	Babelegi	Apies	4,7	0,8	1,7	3,0
North West	Sandspruit	Tolwane	20	4	5,3	14,7
	Klipgat	Tolwane	55	10	30,3	24,7
	Rietgat	Soutpan	27	5	10,5	16,5
Outside of Tshwane	Baviaanspoort	Pienaars	58	10	34,3	23,7
	Zeekoegat	Pienaars	30	5	39	-9
TOTAL			557,2	100	375,1	182,1

Table: Sewerage system capacity

CAPACITY OF THE CITY OF TSHWANE'S SEWER SYSTEM							
Sewer infrastructure		Region in Tshwane					
		Southern	Central Western	Eastern	North East	North West	Total
Pump stations	Number	16	4	2	9	7	38
Manholes	Number	23 536	16 877	36 113	10 987	30 991	118 504
Pipelines	Length (m)	1 342 960	1 129 078	2 115 074	710 172	1 704 164	7 001 447
Pipelines: network	Length (m)	1 124 425	867 946	1 829 045	482 951	1 420 045	5 724 412
Pipelines: collector	Length (m)	167 161	205 497	218 728	117 095	190 628	899 109
Pipelines: bulk	Length (m)	50 882	54 683	55 240	109 366	75 169	345 339
Pipelines: schematic	Length (m)	492	953	12 062	760	18 322	32 588

As indicated above, the City of Tshwane has a huge water and sanitation infrastructure. The replacement cost of the water and sanitation infrastructure amounts to R10 647 045 690. It is therefore of the utmost importance that the existing infrastructure be operated and maintained in an effective and efficient manner.

2.4.2.1 Free basic water

Free basic water to all was suspended from 1 July 2007 and only registered indigent households now receive 12 kl of water each month free of charge in Tshwane. Altogether 47 774 households currently receive this service. In financial terms, this means a R21 504 048 cross-subsidisation by large water consumers or households.

2.4.2.2 Free basic sanitation

Free basic sanitation to all was suspended from 1 July 2007 and only registered indigent households are now allowed 5,88 kl of waste water discharge each month free of charge in Tshwane. Altogether 47 774 households currently receive this service. In financial terms, this means a R4 925 656 cross-subsidisation by large consumers or households.

2.4.3 Progress with eradicating backlogs

	30 June 2005			30 June 2006			30 June 2007			30 June 2008		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
Water backlogs (6 kl per month)												
Backlogs to be eliminated (number of households not receiving minimum standard of service)			20 263			20 263			20 198			15 863
Backlogs to be eliminated (percentage – households identified as backlogs/total households in the Municipality) (total households 565 000)	0,0%	0,0%	3,6%	0,0%	0,0%	3,6%	0,0%	0,0%	3,6%			2,8%
Spending on new infrastructure to eliminate backlogs (R 000)	R5 000 000	R3 000 000	R2 925 000	R40 000 000	R28 000 000	R27 532 933	R150 000 000	R77 138 398	R77 138 398	R150 000 000	R103 291 736	R87 632 690
Spending on the renewal of existing infrastructure to eliminate backlogs (R 000)	R20 000 000	R10 000 000	R9 900 000	R60 000 000	R23 000 000	R22 145 000	R90 000 000	R32 000 000	R31 860 448	R100 000 000	R101 061 790	R123 114 528
Total spending to eliminate backlogs (R 000)	R25 000 000	R13 000 000	R12 825 000	R100 000 000	R51 000 000	R49 677 933	R240 000 000	R 109 138 398	R108 998 846	R170 000 000	R125 772 236	R109 169 083
Spending on maintenance to ensure that no new backlogs are created (R 000)	R10 000 000	R65 730 000	R65 730 000	R130 000 000	R71 366 000	R80 380 000	R150 000 000	R107 900 000	R134 900 000	R200 000 000	R102 274 403	R111 280 841
Opex												
Sanitation backlogs												
Backlogs to be eliminated (number of households not receiving the minimum standard of service)			40 570			38 760			38 440			33 012
Backlogs to be eliminated (percentage – households identified (total households 565 000 as backlogs/total households)	0,0%	0,0%	7,2%	0,0%	0,0%	6,9%	0,0%	0,0%	6,8%			5,8
Spending on new infrastructure to eliminate backlogs (R 000)	R20, 000 000	R16 000 000	R 5 294 536	R50 000 000	R11 000 000	R10 284 700	R150 000 000	R28 108 065	R28 108 065	R150 000 000	R53 962 614	R47 056 042
Spending on the renewal of existing infrastructure to eliminate backlogs (R 000)	R10 000 000	R4 000 000	R3 800 000	R10 000 000	R3 000 000	R2 700 000	R20 000 000	R9 000 000	R8 600 000	R40 000 000	R34 609 000	R29 418 539
Total spending to eliminate backlogs (R 000)	R30 000 000	R20 000 000	R19 094 536	R60 000 000	R14 000 000	R12 984 700	R170 000 000	R37 108 065	R36 708 065	R170 000 000	R61 162 614	R54 256 042
Spending on maintenance to ensure that no new backlogs are created (R 000)	R50 000 000	R43 672 898	R39 674 761	R55 000 000	R44 247 532	R41 100 674	R75 000 000	R62 312 309	R58 713 650	R75 000 000	R36 602 957	R40 276 2421

» 2.5 HOUSING

The Housing and Sustainable Development Department achieved the following during 2007/08:

- 36 289 households provided with water through tanker services and stand pipes
- 6 152 new houses built in the municipal area
- 12 000 households provided with water
- 12 006 households provided with flush toilets
- 7 162 stands provided with roads and stormwater drainage
- 11 200 houses provided with electricity
- 6 208 families relocated to RDP houses and serviced stands (limited funds)
- Implementation of the Informal Settlement Management Plan and Land Invasion Management Plan – used as a benchmark by the Gauteng Province
- Prevention of mass land invasion and evictions
- 4 149 title deeds registered
- 1 894 title deeds issued
- 5 212 beneficiaries/consumers educated

» 2.6 ENVIRONMENTAL MANAGEMENT

Through the Environmental Policy and Resource Management Section of the City of Tshwane won the coveted Best Performing Metro Prize (R200 000) at the provincial Bontle ke Botho (BkB) 2007 campaign. This prize was also won by the City of Tshwane in 2006. Ward 68 again won the prize in the Most Sustainable Category (R50 000), and 12 wards won prizes in the Best Performing Category and four in the Most Sustainable Category. The prize moneys amounted to R670 000.

2.6.1 Parks and horticulture

National Arbor Week

On 30 August 2007 the national campaign was launched in Tshwane. The President of the Republic of South Africa, Mr Thabo Mbeki, the Minister of Water Affairs and Forestry, Mrs Lindiwe Hendricks, the Executive Mayor of the City of Tshwane, Dr Gwen Ramokgopa, the Members of the Mayoral Committee, and the Councillors of the City of Tshwane launched this year's Arbor Week in Ga-Rankuwa. Trees were planted to promote the greening of South Africa.

The event also launched the Plant a Million Trees a Year, a campaign that seeks to accelerate the Trees for Food Programme.

The focus was to highlight the opportunities for sustainable economic development, community participation, poverty alleviation and job creation in forestry, and so contribute to growth, development and a better life for all.

Other highlights are as follows:

- The City of Tshwane won a Silver Award at the Garden World Spring Festival in August 2007.
- Another Silver Award was won at the annual Sunday Tribune Garden and Leisure Show in Pietermaritzburg in October 2007.
- 12 000 street trees were planted on road reserves during the 2007/08 financial year.
- The Urban Forestry emergency team received a Service Excellence Award.
- During the completion of the Top 20 projects, R5 262 336,00 was spent on projects in previously disadvantaged areas as follows:

Description of application	Project/category	Cost of project
Saulsville: Township tree planting	Environment and Tourism	R 857 800
Atteridgeville rotary forest	Environment and Tourism	R 350 000
Atteridgeville: Erf 4468, Serote	Environment and Tourism	R 200 000
Atteridgeville: Township entrance, Church and Tlou	Environment and Tourism	R 350 000
Atteridgeville: Ga-Mothakga Resort	Environment and Tourism	R 888 151
Atteridgeville: Rehabilitation of watercourse areas	Environment and Tourism	R 200 000
Mamelodi: Townships tree planting	Environment and Tourism	R 130 320
Mamelodi: Nelson Mandela Park	Environment and Tourism	R 150 000
Mamelodi: Moretele Resort	Environment and Tourism	R 930 000
Mamelodi: Rehabilitation of watercourse and Soutpan Spruit	Environment and Tourism	R 40 000
Soshanguve: Township tree planting	Environment and Tourism	R 206 065
Soshanguve: Park Erf 217	Environment and Tourism	R 200 000
Soshanguve: Park Erf 720	Environment and Tourism	R 200 000
Soshanguve: Park Erf 926	Environment and Tourism	R 200 000
Soshanguve: Rehabilitation of watercourse and Soutpan Spruit	Environment and Tourism	R 400 000
TOTAL		R5 262 336

2.6.2 Nature conservation and resorts

The Resorts Subsection manages nine resorts, five caravan parks and two animal farms. Activities include overnight accommodation, shelters for small functions, barbecue facilities, children's play areas, events and refreshments.

At the new Klip-Kruisfontein Resort, R5 349 217 was spent on development. The electrical plan and the building drawings are still being made. Several draft plans have been discussed and adjusted, and will be circulated to the

Civil Engineer and health and safety officers for approval. The ring road with parking bays has been constructed and tarred. The post and rail fence inside the resort on the side of the road is being erected and the water network is being constructed.

Development of new Temba/Hammanskraal swimming pool

A new swimming pool for Temba is under construction and the second phase of development has been completed. During the 2007/08 financial year, R2 183 665 was spent on the site. The project comprises a new swimming pool complex consisting of a children's paddling pool, bathing pool, water slide, refreshment kiosk, ablution facilities and offices for personnel.

Upgrading of resorts

Moretele Park

Gauteng Province approved R930 000 for the erection of a new entrance building as part of the Top 20 project. The building has been completed. The upgrading of the community hall into a jazz restaurant is in progress. R1 899 052 was spent to continue with projects according to the master terrain development plan.

Ga-Mothakga Resort

Gauteng Province approved R888 555 to erect three more Kamikaze water slides as part of the Top 20 project. The water slides were erected and the water pipe work and paving have been completed. The stormwater flow was also addressed properly. The swimming pool with waterslide upgrades will be open in the next season.

Construction of self-catering chalets at Rietvlei Nature Reserve

Overnight accommodation has been identified as a need in the self-catering market. The already approved master terrain development plan for the Rietvlei Nature Reserve made provision for 30 chalets (sleeping four to six visitors at a time). Only two chalets are currently in operation and it is important to complete the others in time for 2010.

An amount of R5 767 047 was spent to build seven new self-catering chalets, fully equipped and ready for visitors. The road and the two parking areas for the current chalets were also upgraded.

Promote the learn-to-swim programme

The Swimming Pool Subsection launched swimming development programmes, especially in the disadvantaged communities. Important role players in communities such as coaches and teachers are given the opportunity to receive proper training to encourage and promote swimming as a healthy sport and leisure activity in their communities. A total of 2 739 people completed the training during the 2007/08 swimming season.

Implementation of the Conservation of Agricultural Resources Act (CARA)

The Nature Conservation Subsection manages the natural environment in Tshwane. Progress has been made in addressing alien plants in the city. Projects are being run in conjunction with

Working for Water and Working for Wetlands. About R3 000 000 was spent to comply with the CARA legislation.

2.6.3 Open space planning

Environmental Management Framework for the City of Tshwane's Zone of Choice

The formulation of the Environmental Management Framework (EMF) for the Zone of Choice (ZOC) has been completed. This is a joint venture of the City of Tshwane Metropolitan Municipality and the Gauteng Department of Agriculture, Conservation and the Environment.

The Environmental Impact Regulations (regulations in terms of Chapter 5 of the National Environmental Management Act, 1998 (Act 107 of 1998)) were published on 21 April 2006 in Government Gazette R385, R386 and R387. These regulations came into effect on 3 July 2006 and make provision for the EMF as a regulatory instruments and decision-making tool.

The main element of the EMF is maps which are provided in a Geographic Information System (GIS) format that can be queried by users. The official launch of the Zone of Choice EMF was to be 1 July 2008 and an agreement would be signed between the City of Tshwane Metropolitan Municipality and the Gauteng Department of Agriculture, Conservation and the Environment.

2.6.4 Environmental resource management

Annual greening of the Pretoria Show

The Environmental Policy and Resource Management Section participated in the Pretoria International Show since 2004, being responsible with other role players for the continued "greening" of the show, which included: Organising basic environmental awareness campaigns; Reducing electricity consumption; Introducing water-saving measures; Engaging in waste recycling and composting; and, Eradicating alien invader plants and planting indigenous trees

Office paper recycling project

The Agriculture and Environmental Management Department (Environmental Management Division) implemented a paper-saving and recycling initiative in municipal departments by supplying specially manufactured recycling bins to them. Recycled paper was also distributed so as to market recycled paper and dispel the myth that this type of paper is not compatible with office machinery.

Continuous implementation of the Tshwane Integrated Environmental Policy

The Tshwane Integrated Environmental Policy (TIEP) is being implemented in terms of a five-year implementation plan (the 2006/07 to 2010/11 financial years) which involves the drafting of environmental strategic documentation (13 documents completed), the implementation of initiatives and programmes to achieve 14 environmental targets, as well as continuous awareness and education activities.

Among others, a project was implemented to install crushers at depots of the Electricity Division to dispose of hazardous fluorescent light tubes under controlled conditions and according to environmental best practices.

Environmental education and awareness

A DVD on the importance and impact of Bontle ke Botho was developed and shown for the first time during the launch of the 2007 campaign. The DVD indicates some of the successful projects at ward level and at schools. The DVD shows that it is possible for one to participate and win and also encourages individuals to work and live a sustainable life. The Councillors received copies of the DVD and it has also been distributed to schools and NGOs to use as an educational tool.

Trees for Homes celebration

The Trees for Homes event at Bochabelo Park in Mabopane Ward 22 celebrated the distribution of 400 trees. The trees were donated by the Total Facilities Management Company through Food and Trees for Africa. The Department of Water Affairs and Forestry (Regional Office) donated 100 trees to 500 low-cost houses next to Odi Hospital.

National Clean-up Week, 10 to 14 September 2007

The call to clean up our schools, streets, rivers, lakes, parks, open spaces and households went out far and wide. Schools, municipal officials, companies, Councillors, environmental groups and individuals of Tshwane responded by participating in clean-up campaigns. The Walter Sisulu Environmental Centre in Mamelodi went one step further with volunteers from the centre joining several of the clean-ups and also organising educational programmes for learners from various schools. These included the J Mahlangu, J Kekana, Morakoma, Moretele, Mveledzo, Sindawonye, Tlakukani, Lehlabile and Somafo schools. Two of the schools participating in the educational programme also participated in cleaning along the Moretele River. The learners had an opportunity to investigate the effect of pollution on the river. Sadly, as is always the case, the amount of rubbish littering the stream and the surrounding area was astonishing. Learners had some interesting finds: sewage waste, dead carcasses, builder's rubble, eroded soil and invader plants.

Cemeteries

Two newly developed cemeteries were officially opened on 22 February 2008, namely Honing-nestkrantz and Hatherly. These two cemeteries, situated in the north and south-east of Tshwane, will alleviate the demand on Heatherdale, Soshanguve and Mamelodi cemeteries. The two new cemeteries will also accommodate 1,5 m high headstones only and not the full monumental masons. Promoting the green building concept will be the order of the day at the cemeteries.

Social package

One of the key aims of the City of Tshwane was to develop an Indigent Burial Policy to assist destitute families, especially those without sufficient resources, to conduct burials/cremations for

their own family members. Therefore, it will assist them to bury their family members in dignity. The cost of this social package is carried by the City of Tshwane Cemetery Services.

» 2.7 WASTE MANAGEMENT

The following projects were carried out by the Waste Management Division:

- The recycling projects were extended.
- The Marketing Section achieved the target of R20 million in March 2008.
- A function was held at the Mercedes Benz premises to hand over 20 Coscos and 10 Cub Meter collection trucks.
- Cleaning was done at the Pretoria Show. During the ten-day period of the show about 19 ton of waste was recycled.
- Permits have been issued to all landfill sites.
- The fine schedules were developed.
- Law enforcement resulted in the following:
 - 42 court cases were opened on illegal dumping and illegal distribution of pamphlets.
 - 700 contravention notices were issued for illegal dumping and overgrown vacant stands.
 - 80 contravention notices on pamphlets were issued.
 - 117 spot fines were issued, amounting to R25 000.
 - 50 warrants of arrest were authorised by the Roodia Court.
 - 5 law enforcement operations were conducted, involving Peace Officers and the Metro Police.
 - 374 fines amounting to R285 000 were issued on illegal dumping.

Level and standard of service ³

- Full service levels (ie kerbside collection of 240 l or 85 l bins) apply in proclaimed townships and metropolitan activity nodes for developments within a 20 km radius.
- The 85 l bins are to be replaced by the 240 l service over the next five years in a phased manner.
- Basic and intermediate service levels in combination apply to informal (un-proclaimed) areas (ie provision of communal skips and plastic bags).

» 2.8 SPORT, RECREATION, ARTS AND CULTURE

2.8.1 Sport

The City of Tshwane is one of nine host cities for the 2009 Confederations Cup and the 2010 FIFA World Cup. To date, the focus, according to FIFA requirements, has been on the stadiums, with other infrastructure projects in the planning phase. Loftus Versfeld Stadium has been ear-

³ The council approved the service levels on 25 January 2007.

marked as the match venue for both events. The match venue and three training venues are all being upgraded.

The detailed Loftus precinct plan was put together and presented during the FIFA inspection in February 2008, resulting in requests for a few minor changes. Traffic management plans, policing models, disaster management plans, transport routes and the like are progressing well. For the venue to meet FIFA requirements, a number of improvements have to be made by October 2008. The three training venues (Super Stadium in Atteridgeville, HM Pitje Stadium in Mamelodi and the Giant Stadium in Soshanguve) are being developed to FIFA's standards to ensure that world-class facilities are provided in the underdeveloped parts of Tshwane.

From the 2006/07 to the 2007/08 financial years, the following three new sport and recreation facilities were completed and are currently operational: KT Motubatse Centre in Klip/Kruisfontein; Nellmapius Community Centre; and, Akasia Multipurpose Centre. One new soccer field was also constructed at the Pretoria North Sport Ground.

2.8.2 Culture

During the 2007/08 financial year the following events were presented by Library and Information Services: Hosting of the international IFLA (International Federation of Library Associations) pre-conference dinner; Opening of the KT Motubatse Library (Soshanguve); National Library Week; and, Library Reading Awards

Two additional ABET centres were established at Olievenhoutbosch and Stanza Bopape, and an additional 50 learners benefited from this. Learners were invited to attend some Council meetings. In addition, two other projects were carried out. These were the Reading Awards competition and the Take a Girl Child to Work in collaboration with telecommunications company, Cell C.

» 2.9 INTEGRATED COMMUNITY DEVELOPMENT

2.9.1 Indigent households

In December 2007 a service provider was appointed to undertake registration of indigent households and the evaluation of the existing indigent household database. The City of Tshwane also launched a marketing campaign to encourage mass registration of such households. 17 100 new indigent households were verified. The Indigent Policy was reviewed in the 2007/08 financial year, and the review included a public participation process and inputs from stakeholder departments.

The implementation of the Indigent Policy has had the following impacts: Financial relief among identified poor families after their arrears had been scrapped; Continued access by poor families

to free basic services, which include 100 kilolitres of water and 12 kilowatt of electricity; and, Contribution to the reduction of poverty among the poorest of the poor in Tshwane.

2.9.2 Early childhood development

Eighty (80) Registered Early Childhood Development (ECD) Centres throughout the city, mostly operating as backyard crèches located in the underdeveloped areas, were funded by City of Tshwane in 2007/08 with an average of 7 000 children. Each ECD centre was granted R100 000, 00 totalling R 8 000 000,00 disbursement in this financial year.

The impact of this ECD funding has been: improved learning environment for children through provision of additional educational toys; capacity building through the provision of certificated training for Educators and Care-givers; additional new and better facilities provided through provision of financial resources; and, nutrition augmented by the creation and sustenance of food gardens.

Four hundred and forty five (425) community members were trained in ECD practitioner courses. A five-year Integrated Childhood Development Strategy (ICDS) to guide departments and city-wide organisations to create a child-friendly city was approved by council.

2.9.3 Mainstreaming of vulnerable groups

The city seeks to ensure the implementation of programmes meant to ensure the mainstream inclusion into society of the youth, women and people living with disabilities and the elderly, with the express purpose of decreasing their vulnerability.

Some of the projects initiated in order to advance the development of vulnerable groups by implementation of projects include: 60 projects for Women implemented to date; 50 projects for Youth implemented to date; 60 projects for Elderly implemented to date; 30 projects for Children implemented to date; and, 45 projects for People Living with Disability implemented to date.

Ten NGOs focusing on older persons were funded by City of Tshwane. Another ten NGOs were funded focusing on people with disabilities. A Poverty Reduction and Community Development Conference was convened attracting the participation of more than 300 delegates from government, agencies, private sector, and civil society and research institutions.

The aim was to develop a strategy and an implementation plan towards alleviation of poverty in the City, to make an impact on indigent exit programme and establish an advisory structure to input on the realisation of the objectives contained in the Strategy and Plan. A Declaration was adopted that commits all stakeholders to play a role in the war against poverty.

With regards to youth development a Five-Year Youth Development Programme was completed and its implementation is underway. Working with the Interim Youth Advisory Council (IYAC), a By-Law on the establishment of Tshwane Youth Development Unit (YDU) was approved by Council and an Operational Framework was completed with a start up budget of R1,7 million for the next financial year. The City of Tshwane was also awarded for the 1st Gauteng Golden Circle Award for Best Municipality on Youth Development.

» 2.10 HEALTH

Level and standard of service

- Number of professional nurses per 100 000 of uninsured population is 20 and the Department managed to adhere to the norm
- Percentage implementation of identified Environmental Health functions prescribed by the National Health Act for municipal health services is 35 and the Department could only manage to achieve 25% because of insufficient funds to appoint staff.
- Number of environmental health practitioners per 15 000 of population is 0.45 and the Department could only manage 0,31 due to insufficient funds to appoint staff.
- The national norm for the utilisation rate for the clinics is 2,8 and the Department over-achieved with regard to children under 5 by posting a 3,5 utilisation rate and under-achieved with regard to adults where it posted a 1,7 utilisation rate.

2.10.1 Primary health care

- 1 176 943 Patients were treated in clinics in 0708, which is 4% more than in 06/07
- 52% of the LG clinics have extended their normal service hours from 7:00 to 16:00 week-days to include Saturdays from 08:00 – 13:00 since May 2008
- The District Health Council was launched on 14 February 2008.
- Completed Capital Projects for Health Care:
 - Extension of Stanza Two Clinic (multi-year project with construction phase in 08/09). R1,3 million spent in 2007/08.
 - Extension of Lotus Garden Clinic (multi-year project with construction phase in 08/09) R1,4 million spent in 2007/08
 - Upgrading of clinic dispensaries for R1,9 million
- The clinics implemented a Tuberculosis crisis plan to combat TB in Tshwane with improvement of the TB cure rate from 61% to 69,4%
- The clinics maintain the immunisation coverage in Tshwane at 95%
- The annual rating survey indicated that clients in clinics are 90% satisfied with the clinic environment and 84% satisfied with the quality of care of health professionals
- Medicine availability level in clinics was above 99%
- Vaccines were 100% available in clinics at all times
- A Tshwane Model for the provisioning of Pharmaceutical Services in clinics was developed, which are the first in the country

2.10.2 Municipal health services (environmental health)

- National Arbour Day (September 2007), World Food day (October 2007), National Water week (April 2008) and World Environmental day (June 2008) were celebrated with community events all over Tshwane.
- The Environmental Health by-laws were reviewed with public participation.
- The fines system relating to Environmental Health legislations has been approved and is implemented.
- The tariffs for Environmental Health Services as approved by council have been implemented.
- Alignment of the Gautrain route is now included in the noise management system of Tshwane.

2.10.3 Emergency medical services (ambulances)

- The Emergency Medical Services treated and transported 60843 patients in comparison with the 2006/07 budget year of 53 621 patients
- 72 Special standby services were attended by the ambulance services this year in comparison of the 67 in the previous budget year
- The average time taken to respond to an emergency call for priority one calls according to the set GPG norms and standard improved from 65% to 83%
- The calls and standbys were attended to by 26 ambulance supported by a number of volunteers

2.10.4 HIV and Aids

- The Tshwane Aids Unit has continuous programmes in all areas. Some of the highlights are focused along the main events during each year, comprising:
 - Candle Lighting Memorial event during the month of May 08
- World Aids Day (Door-to-door campaign and the main event) during December 2007. A total of 106 048 houses, plots, factories and farms were visited; 348 352 people were reached; 526 930 condoms were distributed; while 2 465 referrals to various services were made.
- Support groups have been established in the vicinity of 18 of our clinics where HIV positive clients could be referred for continuity and support.
- The Workplace Programme for Tshwane Employees:
 - HIV and Aids Peer Educators were trained bringing the total to 350 employees trained.
 - Peer Educator Seminars were held and well by the Peer Educators.
 - An HIV and Aids Employee Support Programme is in place rendering VCT services, Counselling services, a Disease Management Support service as well as a 24/7 Health Helpline to all employees.
- Exhibitions were staged at various events held in different parts of Tshwane, for example

the Candle-lighting memorial services; events commemorating Condom Week and Youth Month. Exhibitions were also held at schools, Taxi Association and at the malls. A total of 3 024 people were reached through the exhibitions

- Capacity building programmes regarding HIV and Aids were rendered for different categories for women, youth, and people with disabilities, commercial sex workers, men and immigrants. 2 822 People attended the information sessions on HIV and Aids, 7 799 residents of Tshwane attended the HIV and Aids events and 511 residents are formally trained in sessions. Tshwane Aids Unit appreciates the participation of other role players. The City of Delft/Tshwane sister relationship benefits Tshwane by means of a joint project to empower youth with life skills to deal with the challenges of HIV and Aids.
- The Foundation for Professional Development and the City of Tshwane signed an MOU on the development of an HIV Mapping Project which will assist members of the community and service providers to access HIV and Aids services in Tshwane
- NGOs funded to render services: the seven NGOs awarded grant funding to render HIV and Aids-related services are completing the projects by 30 June 2008
- The Tshwane Aids Strategy 2007 – 2011 was approved by the Council on 29 November 2007

» 2.11 COMMUNITY SAFETY

Community Safety Services offered by the City of Tshwane include fire services, disaster management and metropolitan policing. Fire and disaster management services are governed by service delivery standards, which determine response times which influence facility and fleet positioning.

2.11.1 Tshwane metropolitan police services

General

- Finalisation of the ASD structure, completion of the migration and placement process and realigning the current eight regions with the five of the city.
- Further expansion of the TMPS with the appointment of an additional 350 recruits during the first quarter of 2008.

By-law policing

- In terms of By-law Policing, the City of Tshwane by-law pertaining to municipal functions relating to substance abuse in the City of Tshwane was approved by Council on 29 May 2008 (awaiting publication in the Provincial Government Gazette). The public participation for the by-law took place during June 2007 to August 2007 and extensive comments were obtained. The by-law is the first of its kind in South Africa and outlines ways in which the Municipality can contribute towards the fight against substance abuse.

- The By-law Policing Directorate also embarked on joint operations with role-players such as the SAPS, Municipal Health Services and Fire Brigade to target places of entertainment and other businesses as a contributor to crime prevention.
- Council approved the establishment of a By-law Enforcement Centre (BEC) by 30 June 2008, as a means of streamlining by-law enforcement in the City of Tshwane. The establishment of the BEC will be the first of its kind.

Crime prevention

- Launch of the Peace and Development Project (PDP) in Central West Atteridgeville
- Allocation of funding for rollout of PDP Tshwane (South, North East, Central West)
- Advertising and recruitment of 345 PDP warden positions Tshwane
- Establishment of Community Marshals Stinkwater

Road policing

- The finalisation and upgrading of Walton and Centurion weighbridges
- The implementation of these weighbridges (which will assist law enforcement actions) will assist in reducing the road infrastructure maintenance costs which is caused by the overloading of motor vehicles. (cost of overloading of vehicles in Tshwane is estimated at R64 m per annum)
- The City of Tshwane won the 2007 Road Safety Award of the International Road Federation on 23 April 2008. The reward was for a project named "Development and Implementation of Road Safety Master Plans - an inclusive approach" which stresses the importance of engineering measures, law enforcement, education, awareness and evaluation.

2.11.2 Disaster management

Disaster management frameworks and disaster risk management plans are the strategic mechanisms through which disaster risk management action is co-ordinated and integrated across all spheres of government.

- A disaster management framework for City of Tshwane has been developed and a public participation process will be conducted.
- A macro risk assessment for City of Tshwane has been executed and the results included in the Disaster Risk Management Plan for City of Tshwane.
- Planning Forums for the development of generic contingency plans took place with the various departments who have a responsibility in terms of disaster management.
- An awareness campaign was launched in Atteridgeville to make children aware of the danger of unexploded ordinances.
- The Disaster Management Centre played an important role in the coordination of the disaster response to flood incidents in Tshwane during January 2008 and also the aftermath of xenophobia during May and June 08.

2.11.3 Fire brigade services

- With regard to operational responses this Section is meeting its objectives and deadlines, although it is still experiencing an operational staff shortage. This shortage is also evident in the Fire Safety Section. A new status report will reflect the actual staffing values during the 1st quarter report for 2008/09.
- One water tanker, one hazmat support unit and two rescue Pumpers were ordered and have been delivered as part of the vehicle replacement programme.
- The Fire Safety Section performance is corroborated by the reduction in significant fire incidents and losses incurred.
- Fire Safety objectives are being met and definite success is being achieved with the identification and management of unsafe (bad) buildings.
- A third Fire Protection Association has been formally established.
- The Fire Brigade By-laws continue to improve our capacity to enforce regulations and codes of practise and to manage violations forcefully.

» 2.12 CITY PLANNING

The Metropolitan Planning Section finalised the Tshwane Spatial Development Strategy: 2010 and Beyond. The purpose of the Strategy is to provide spatial guidance for the five -year programme (IDP).

The Tsosoloso Programme was conceptualised to improve the quality of life in marginalised areas as well as to create more economic development opportunities for the local communities. A submission to National Treasury for funding of the programme was submitted in May 2006. The programme has been accepted by National Treasury. Tshwane was subsequently selected as a “strategic ally” by the National Treasury. Funding amounting to about R 17 million for technical assistance has been approved and is seen as the first phase of achieving the goals set for the programme. A position for a full time Tsosoloso Programme Manager has been approved and will shortly be filled. In addition, a team of external technical experts will be appointed on a project management basis to deliver turnkey (planning to construction) assistance.

Other projects that were finalised by the Metropolitan Planning Section during 2007/08 were:

- Tshwane Vacant Land Database in conjunction with Regional Spatial Planning and Environmental Planning
- The Tshwane Inner City Cultural Circle concept
- The Master Plan for the redevelopment of the Pretoria Station Precinct is co-ordinated by Metropolitan Planning. Other partners are Intersite, Bombela (Gautrain) and Re Kgabisa Tshwane.
- The Planning of the Mamelodi Magistrates Complex at Eerste Fabrieke Town Centre is com-

pleted and the construction of the court will commence in August 2008.

- The Township Establishment of the Eerste Fabrieke Town Centre is far advanced and should be finalised early in 2009. The Proposal Call to invite development partners from the private sector should go out by October/November 2008.
- Planning inputs are provided for the 2010 FIFA World Cup precinct planning and City Beautification project.
- A report dealing with the identification of sites for the Tshwane Jazz Precinct and Memorial
- The final draft of the Hatfield Spatial Development Framework is completed and is awaiting the inputs of the traffic study for the area before being submitted to Council.
- Tshwane Rural Development Strategy
- Assisting with the allocation of land use rights in terms of the new Tshwane Town Planning Scheme to properties in the North West that previously did not have land use rights (zonings)
- The finalisation of the Tshwane International Convention Centre proposals was submitted to Council in May 2008.
- The Tshwane Household Survey has been completed and the results thereof will be published shortly.

Cartography, a sub-section of Geomatics (Department City Planning, Development and Regional Services) participated in the GIMS Map Competition as part of the annual GIMS User Conference held from 1-3 October 2007. The cartographic team won the "Content" category, for the map named "City of Tshwane Eastern Region". This map is one of five designed to visualise the new administrative regions, which indicated:

- Various boundaries including wards, suburbs, etc.;
- Transportation networks;
- Hydrograph features;
- Generalised land use cover; and
- Points of Interest

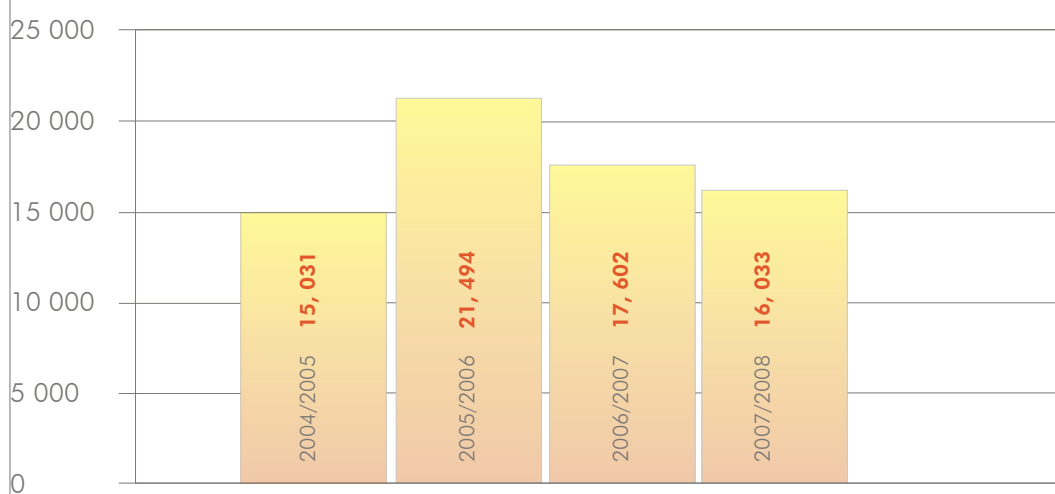
Building and zoning plans

STATISTICS	Annual total 2006/07	July – Sept 2007	Oct – Dec 2007	Jan – March 2008	April – June 2008	Annual total 2007/08
Building plan applications received	22 421	6 361	4 177	4 042	5 180	19 760
Building plan applications approved	17 602	5 143	3 410	4 250	3 230	16 033
Building plans outstanding	4 819	1 218	767	-208	1 950	3 727
Approved construction area (M ²)	3 043 433	852 612	726 665	676 188	745 525	3 000 990
Approved construction value (R)	10 652,015 500	3 789 663 100	3 759 759 750	3 279 653 350	3 639 112 250	14 468 188 450

Building plan applications outstanding (backlog)

Applications outstanding 1 July 2007	No of new applications received 2007/08	Total value of new applications received R'000	Applications outstanding ⁴ 30 June 2008
7 091	19 760	14 468 189	10 818

Building plan applications approved, July 2004 to June 2008



The Land Use Legislation and Application Management Section are responsible for the management and maintenance of the Town Planning Scheme(s) within the jurisdictional area of Tshwane. The Draft Tshwane Town-planning Scheme, 2007 was approved by the Council in November 2007.

The Draft Scheme was amended in March 2008. This entailed that the existing six town-planning schemes previously applicable in the jurisdictional area of Tshwane as well as other townships that were approved in terms of other legislation, was replaced by one single town planning scheme.

⁴ (Applications outstanding 1 July 2008 + New applications received) – Building plan applications approved

Land use applications received and finalised in 2007/08:

Type	Received					Finalised				
Quarter	1st	2nd	3rd	4th	Total	1st	2nd	3rd	4th	Total
Consent uses	150	140	98	116	504	107	128	101	82	418
Simultaneous consent uses and removal of restrictions	32	18	20	31	101	17	19	18	16	70
Subdivisions	84	72	62	44	262	62	86	70	52	270
Consolidations	37	35	17	36	125	14	20	20	24	78
Simultaneous subdivisions and consolidations	10	11	6	7	34	2	4	7	4	17
Divisions	11	10	9	10	40	13	9	9	7	38
Removal/amendments/consent of restrictive conditions	0	1	0	0	1	0	1	0	0	1
Rezoning	228	190	145	179	747	127	117	140	130	514
Township establishment	22	20	12	10	64	37	31	33	45	146
Amendment after approval of township	6	15	9	9	39	39	15	23	4	81
Closed/withdrawn	0	0	0	0	0	252	132	107	118	609
					1 911					2 242

Regional services

The five regions as identified in terms of the ASD process were established and four of the five Regional Executive Directors were appointed. The scoping of the regions is in various stages of completion and is deemed of critical importance to determine the needs of the different communities of the city.

» 2.13 ECONOMIC DEVELOPMENT

2.13.1 Local economic development

Tshwane International Trade and Infrastructure Investment Conference (TITIIC):

The inaugural Tshwane International Trade and Infrastructure Investment Conference (TITIIC) was hosted by the Local Economic Development Division on behalf of the City of Tshwane from 28 to 30 May 2008 at the Tshwane Events Centre. The event was a result of a collaborative effort between several Departments to position the City as a preferred tourism, trade and investment destination in South Africa through showcasing inherent economic opportunities, natural scenic endowment as well as to share the City's future development plans with strategic stakeholders. The conference attracted several national and international delegates and speakers from Canada, USA, UK, Brazil, Botswana, as well as representatives from UNIDO, IEDC, National Treasury, SADC Chamber of Commerce, Gauteng Provincial Government, HSBC Africa, Blue IQ and the DTI amongst others. The 2008 TITIIC successfully attracted 572 delegates who actively participated in respective plenary sessions and 38 exhibitors from the creative industry sector, automotive industry sector to infrastructure development stakeholders.

Sector development

Automotive development Sector Development: City of Tshwane through the Local Economic Development Division maintains a visible presence in the Rosslyn Auto Supplier Park to strengthen the interface with key stakeholders. As a result of this engagement, the following investments have been generated and others are in the pipeline into the City:

Direct investment by Ford Motor Company

The Ford Motor Company (FMCSA) has invested R1, 65 billion since 2000 and pays about R20 million in utilities to the City of Tshwane. The annual spend on non-production for BEE suppliers amounts to R3,5 million and for production purposes spending is R5,5 million. South Africa is on the short list for a major new investment by Ford Motor Company worldwide (ie T6 business contract), and it is envisaged that an initial additional investment of R670 million will be made in the Silverton facility. This investment would result in the number of vehicles produced and exported varying between 60 000 to 90 000 units per annum, and the number of employment opportunities is envisaged to increase by a further 500. This investment will have other multiplier effects such as benefits that will be derived from the supplier development through a mini BEE Supplier Park planned to be adjacent to the FMCSA plant in Silverton.

Direct investment by TATA Motor Company

The TATA Automobile Corporation recently purchased the old Nissan Diesel plant in Rosslyn for R32 million. The intention is to commence assembly and manufacture of TATA vehicles during the last quarter of 2008. Besides the envisaged commercial vehicle plant to be established in the old Nissan Diesel plant in Rosslyn, a plant in William Hoy Street Rosslyn has also been purchased and commissioned by the company. The entire project, inclusive of the still to be commissioned commercial plant located in the old Nissan Diesel plant in Rosslyn, as well as the established bus and truck plant in Rosslyn, has the potential of creating employment for 1 000 persons directly and for 3 300 persons indirectly. The total initial investment in both initiatives will exceed R725 million.

Direct investment by Nissan South Africa

NISSAN Diesel South Africa is investing R11,9 million in its Rosslyn plant to cater for a greater demand in commercial trucks. The company expects total demand for commercial trucks during 2008 to be in the region of 36 000 of which it is hoped 4 800 will be NISSAN Diesel trucks. The plant in Rosslyn has the capacity to produce 6 000 units per annum from a semi-knocked-down basis. With the R11, 9 million investment injection, this will be pushed up to 9 000 units. Besides the mentioned investment, the company also plans to invest a further R8 million in its operations to cater for the new NISSAN Diesel QUON Series of trucks. This Series is expected to be launched in the local market later in 2008.

The above initiatives reaffirmed the City of Tshwane position as a key economic player in the province and also highlighted the importance of a more integrated approach to local economic

development between stakeholders at national and provincial government in conjunction with City of Tshwane through the development of integrated economic development strategies that transcend all spheres of government and private sector stakeholders.

2.13.2 Agriculture

Owing to the approval of the ASD model for the City of Tshwane on 26 September 2007, which led to the restructuring of the Departments and migration of functions across Departments the Agriculture Division was formed within the Agriculture and Environmental Management Department. Performance highlights of this Division are as follows:

The Department of Agriculture and Environmental Management applied for funds from the Restructuring Grant savings from the 2006/07 financial year and was granted permission to use the funds to support Cooperative. The following cooperatives received support during the period of review:

Name of Cooperative	Funding
Winterveld Citrus Project (NB, a separate report has already been submitted as approved by the portfolio Committee of 3rd May 07)	R2 000 000
Vukani Women Corp	R50 000
Tivhusheni Soshanguve Vegetable produce cooperative/Klipkruisfontein	R50 000
Morula Project	R100 000
Mamelodi Vegetable Production cooperative	R50 000
Legae Pele Castor Oil Cooperative	R100 00000
Basiamang Women and Youth Agric Cooperative	R100 000
Dikololo Women and Youth cooperative	R 50 000
Total	R2 500 000

Winterveld Citrus Project

The Winterveld Agricultural Project (Winterveld Citrus Project) is one of the successful flagship projects within the City of Tshwane. The project celebrated its third harvest on 14 July 2007. it was established in July 2002 and created an estimated 455 jobs and empowered around 2 275 family members. During the past four years, 43 000 citrus trees were planted. The project won the 2006/07 Impumelelo Star Award.

Women in Cooperatives, 18 August 2007

The City of Tshwane Department of Agriculture and Environmental Management in partnership with the Department of Economic Development held a 'Women in Cooperatives workshop' on 18 August 2007. The purpose of the workshop was to empower women through cooperatives in the sectors of Agriculture, Environment, Housing and Creative Industries. The workshop was held at the African Window National Cultural History Museum. The workshop was attended by 350 women who are involved in environmental and agricultural cooperatives.

Household Food Security and Poverty Alleviation Programme

This programme is a joint effort between local government and the Provincial Department of Agriculture Conservation and Environment. The programme was initiated in 2004. The project aims at alleviating poverty and promoting nutrition of the most vulnerable families.

The project is rolled out in the form of homestead food gardens and uses the family's own yard as a production site. Identified families are given starter packs, training and technical support. The target for three years which is the envisaged lifespan of the project is 9 000 families.

2.13.3 Fresh produce market

The Fresh Produce Market Division has the following key performance areas: trading infrastructure and operations; trading operations support services; and, market system development.

The Tshwane Market is the second largest fresh of the 19 fresh produce markets in South Africa. A cumulative turnover of R1 415 000 for the financial year ending 30 June 2008 is expected to be realised (2006/07: R1 169 000). This represents a growth rate of 21,05% on the previous financial year, whereas industry growth for this period was 16,93%.

The Tshwane Market achieved the second highest growth rate of the four biggest national markets. Market share increased from 17, 63% in the 2006/07 financial year to 17% and 97% in the 2007/08 financial year. Produce sold for the 2007/08 financial year amassed to 493 408 ton and declined by 3, 01% compared to the previous financial year. Although the market experienced a decline in mass, it still performed better than the industry as a whole, which declined by 8, 72%.

The Tshwane Market plays an important role in the creation of jobs in the city. Over and above the current 1 382 permanent jobs, many more jobs are created upstream and downstream as a result of the activities of the market.

A market segmentation study in 2007 indicated that the informal sector's purchases represents 35% of the market's annual turnover and equates to purchases of about R566 million (2007/08). The Tshwane Market consistently achieves an operating surplus and is therefore self-sustainable. An operating surplus of at least R23 million is expected for the 2008/09 financial year. It is also noteworthy that all capital expenditure is funded from the operating surplus for the financial year. This lessens pressure on the Municipality to fund the Tshwane Market's projects through external loans.

After a lengthy process which included extensive consultation with the public and role players, the new Market By-law was promulgated in June 2008.

2.13.4 Tourism

Tshwane Tourism Awards Programme 2007

The programme acknowledged and rewarded service excellence in the Tshwane tourism industry. Tourism products were assessed in their respective categories by Qualified Assessors in cooperation with the tourism industry. The Tshwane Tourism Awards recognise service excellence within the Tourism industry in Tshwane. The Gauteng Tourism Authority recognises the awards as a benchmark for best practice within the tourism industry in the Gauteng Province.

The Tshwane Tourism Awards Gala event took place on 11 April 2008 at the South African Reserve Bank, where winners of the various categories of the Awards Programme were recognised with awards and certificates.

Tourism Indaba 2008

A record number of 12 900 delegates attended this year's show, of which 603 were media. Indaba took place from 10 to 13 May 2008 at the Nkosi Albert Luthuli International Convention Centre in Durban. The City of Tshwane exhibited at the Indaba.

Township Bed and Breakfast grading

The project is geared towards facilitating the development of SMMEs in the tourism sector by supporting emerging Bed and Breakfast establishments in Tshwane that offer a cultural home stay experience. The Tourism Division in partnership with the Tourism Grading Council of South Africa and the Bed and Breakfast Association in Tshwane have identified 81 Bed and Breakfast establishments for grading. All the 81 establishments have undergone a process of assessment by grading council assessors and most of these establishments will have been graded by the end of the process.

Training and Skills Development

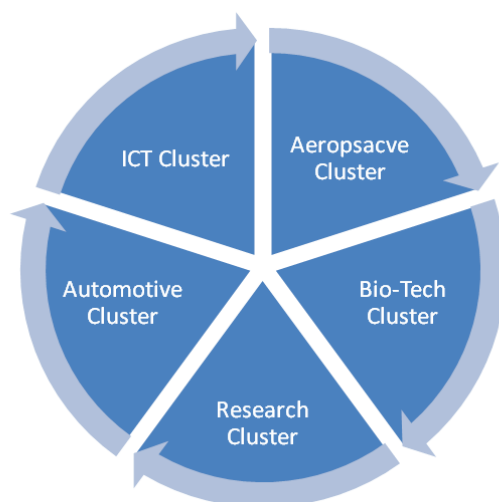
The Tourism Division identified and facilitated the training of 15 SMMEs with operational businesses in tourism. The training consisted of 8 toolkits that were developed by the Tourism Enterprise Programme (TEP) and were presented by the authors and other industry experts. The 8 category winners of the Tshwane Tourism Awards also received training in those modules that would assist in equipping them to exhibit their products and services at exhibition platforms such as the Tourism Indaba. The database of SMMEs at the Tourism Division will be used to identify SMMEs for training in the 8 toolkits as an ongoing process.

2.13.5 The SMART City Programme

A SMART city is defined by: a knowledgeable workforce; broadband connectivity and innovation; and, a marketing and lobbying force. The goal of the SMART City programme is to facilitate the implementation of projects that stimulate economic development.

The City Development Strategy has identified the Smart City Project as one of the important catalysts to transform the City into a more efficient and competitive city not only in South Africa but in Africa. A number of “smart projects” were identified as a result of the Digital Hub project that was undertaken to “pilot” usage of ICT’s to deliver key service delivery projects such as “Automatic Meter Reading”, Provision of Broadband access to communities that had no access to the internet and so forth.

The SMART City will focus on the following economic development clusters:



To deliver on the SMART city programme the City of Tshwane has embarked on the following strategic partnerships:

- The Innovation Hub
- The Innovation Hub as a strategic partner in Gauteng will be helping the City of Tshwane Smart City Project team with technical support on the development of smart city projects.
- Blue IQ
- The City has signed an agreement to work with the B-Link team under the Blue IQ to ensure alignment with the B-Link and G-Link initiatives with Provincial and Central Government ICT initiatives (e.g. Blue Umbrella)
- City of Oulu
- Oulu in Finland is a remarkable city, as it has managed to reinvent itself from a city relying on primary industries, such as fishing and forestry, into a high-tech region within the space of a few decades.

» 2.14 CORPORATE SERVICES

Human Resource Development Section

The approved Human Resources Development Strategy is being implemented on an ongoing basis and the following achievements are of note:

- A total number of 8078 individuals were trained in terms of skills priorities excluding OITPS training.
- Learnership programmes and apprenticeship programme were implemented of which the details are reported in the template.
- The Leadership and Management Academy was launched at Premos.
- In partnership with the School of Public Management of the University of Pretoria, a successful Local Government Conference was hosted.
- The Middle Management Development programme for Metro Police was completed by 24 learners and a successful certificate function in partnership with the University of Pretoria took place at Premos.

» 2.15 FINANCE

The Financial Services Department comprises the following divisions: Budget Office; Treasury Office; Supply Chain Management; and, Revenue Management.

Achievements

- The Department led the planning process for integrated, focused service delivery and implementation of the Municipal Finance Management Act (MFMA) and National Treasury financial management reforms ensuring the continuance of the municipality's status as a leading pilot municipality in local government financial reforms.
- Team work finalised a successful fully-fledged financial planning process for the 2007/08 MTREF. The process involved an extensive community consultation process, the outcome of which resulted in the timeous approval of a medium-term budget aligned to the Mayoral Five Year Programme and imperatives of the City Development Strategy. Strengthened and more experienced teamwork resulted in the compilation of the 2008/09 draft MTREF continuing at an accelerated pace.
- The Department ensured the integration of the strategic planning initiatives, service delivery policy options and various funding alternatives in spite of time constraints. All these processes were undertaken within the legislative prescriptions and timeframes which included extensive departmental training and capacity building.

» 2.16 STRATEGIC PARTNERSHIPS

The following strategic agreements are currently in place:

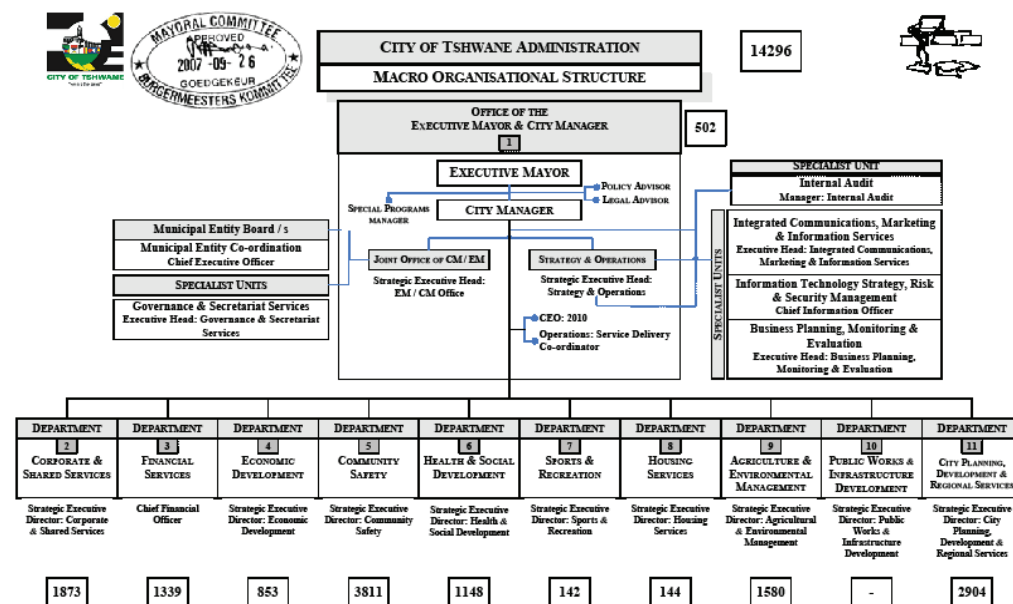
	Country	City	Type of agreement	Date	Place of signature
Europe					
City of Tshwane Metropolitan Municipality	Switzerland	Basel	Memorandum of Understanding	24 Sept 2004	City of Basel
City of Tshwane Metropolitan Municipality	Belgium	Maasmeschelen	MoU	14 Nov 2003	City of Maasmeschelen
City of Pretoria	The Kingdom of the Royal Netherlands	Delft	Sister City Agreement	29 Nov 1999	City of Tshwane
City of Tshwane Metropolitan Municipality	Finland	Oulu	Sister City Agreement		City of Oulu
Africa and the Middle East					
City of Tshwane Metropolitan Municipality	Democratic People's Republic of Algeria	Algiers (Wilaya)	Sister City Agreement	18 Oct 2001	City of Tshwane
City of Tshwane Metropolitan Municipality	Hashemite Kingdom of Jordan	Amman	Memorandum of Understanding	13 March 2002	City of Amman
City of Tshwane Metropolitan Municipality	Rwanda	Kigali	Protocol Agreement	27 July 2004	City of Tshwane
Asia and Australasia					
City of Tshwane Metropolitan Municipality	People's Republic of China	City of Tianjin	Letter of Agreement	04 June 2004	City of Tianjin
City of Tshwane Metropolitan Municipality	Vietnam	Hanoi	MoU	03 Nov 2007	City of Hanoi
Americas and the Caribbean					
Pending agreements					
City of Tshwane Metropolitan Municipality	DRC	Kinshasa		Negotiations (work in progress)	
City of Tshwane Metropolitan Municipality	Tunisia	Tunis		Work in progress	

03

CHAPTER THREE

HUMAN RESOURCE AND
ORGANISATIONAL MANAGEMENT

» 3.1 ORGANISATIONAL STRUCTURE



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» 3.2 ALTERNATIVE SERVICE DELIVERY

The City of Tshwane embarked on the alternative service delivery (ASD) programme as a means to improve efficiencies and effectiveness.

Organisational structures for all levels were approved on 26 September 2007, excluding Public Works and Infrastructure Development, Information and Communication Technology (ICT) and capacity problems at Community Safety as well as the final alignment in the Office of the Chief

CHAPTER THREE: Alternative Service Delivery

Financial Officer, which was finalised in June 2008. Further alignments related to the outcome of the migration and placement process are being ringfenced as anomalies.

The placement process of employees (direct and selective) has been largely completed in 2007/08, except where structural amendments had been effected late in the 2007/08 financial year, for example Public Works.

Special attention is also being given to start the staffing of the newly developed regions. Six internal business unit opportunities have been prioritised at a mayoral lekgotla. This process was set in motion in terms of applicable legislation.

Progress with alternative service delivery mechanisms:

Mechanism	2006/07	2007/08
Regional Electricity Distributor (RED)	<ul style="list-style-type: none"> MSA section 78 process conducted However, the Cabinet changed the direction from a municipal entity to a public entity on 25 October 2006. 	Not reported
Tshwane Transport Authority (TTA)	<ul style="list-style-type: none"> Public and stakeholder consultation process conducted The Council resolved on 31 May 2007 that the Municipality should go ahead with the establishment of the TTA 	Not reported
Public Transport Operating Entity (PTOE)	<ul style="list-style-type: none"> The implementation framework for the implementation of the Tshwane Bus Rapid Transit (BRT) approved by the Council, including the establishment of a PTOE to focus on the planning, implementation, operation, management and control of the BRT system 	Not reported
Tshwane Economic Development Agency (TEDA)	<ul style="list-style-type: none"> After the City of Tshwane growth and development summit, a TEDA was approved by the Mayoral Committee 	Not reported
Regions	<ul style="list-style-type: none"> The five regions are: North East, East, North West, Central West and South. Satellite offices have been established to ensure that services are access able to all residents. 	Not reported

» 3.3 TRENDS IN PERSONNEL EXPENDITURE

Financial year	Rands	Percentage of the total budget
2001/02	1 503 290 000	33.5%
2002/03	1 662 200 000	32,0%
2003/04	1 836 928 240	31.3%
2004/05	2 092 836 481	31.6%
2005/06	2 369 366 000	32,0%
2006/07	2 412 004 371	28.9%
2007/08	2 593 391 088	29.5%

» 3.4 STAFF INFORMATION

Number and cost to employer of all municipal staff employed	2005/06		2006/07		2007/08	
	Number	R	Number	R	Number	R
TOTAL	13 012	1 728 302 762	12 179	1 857 925 469	12 939	1 973 864 656
Professional (Managerial/ Specialist)	966	472 947 562	908	35 154 989	803	31 089 709
Field (Supervisory/Foremen)	3869	702 821 628	3 600	62 153 978	3 760	65 916 377
Office (Clerical/Administrative)	4366	516 801 636	3 977	50 198 691	4 193	52 925 097
Non-professional (blue collar and outside workforce)	3811	35 731 936	3 694	27 458 445	3 559	28 454 955

The table on the following page reflects the number of staff employed by the Municipality and gives a breakdown per key function.

Key function	2004/05		2005/06		2006/07		Key function	2007/08	
	Number of posts	Number of posts filled	Number of posts	Number of posts filled	Number of posts	Number of posts filled		Number of posts	Number of posts filled
Service Delivery	2 670	1 874	2 670	1 820	2 670	1 766	Public Works and Infrastructure	2 670	1 688
Electricity	2 878	1 923	2 878	1 935	2 878	1 879	Electricity	2 878	1 795
Housing, City Planning and Environmental Management	3 696	2 784	3 696	2 480	3 696	2 429	Housing	3 696	2 349
Social Development	1 546	932	1 546	953	1 546	923	City Planning and Regions		
Emergency Management Services	1 286	559	1 286	748	1 286	664	Health and Social Development	1 546	893
Metropolitan Police	3 094	1 615	3 094	1 621	3 435	1 582	Emergency Management Services	1 286	755
Corporate Services	1 782	1 396	1 782	1 590	1 782	1 449	Metropolitan Police	3 435	2 131
Legal and Secretarial Services and Municipal Courts	338	192	338	200	338	186	Corporate and Shared Services	1 782	1 614
Economic Development and Tourism	974	626	974	763	974	642		338	182
Finance	1 208	862	1 208	677			Economic Development and Tourism	974	689
Marketing	67	28	67	24	1 208	642	Finance	1 208	646
Governance Operational Support	150	262	150	111	67	23		67	24
Office of the Chief Operating Officer	25	19	25	13	156	107		156	107
Office of the Municipal Manager	99	35	99	44	25	12		25	12
					109	46	Office of the City Manager	109	54
TOTAL	19 813	13 107	19 813	12 979	20 170	12 331		20 170	12 939

» 3.5 DISCLOSURE OF SENIOR STAFF BENEFITS

The following table reflects the remuneration packages of Section 57 employees:

Incumbent	Pay number	Designation	Remuneration package per annum (2007/08) R	Bonus R
KD Kekana	10003042	City Manager	1 054 944	Not indicated yet
M Lekgoro	10004909	SED: Strategy and Operations	815 472	Not indicated yet
NV Makhari	10003848	Chief Financial Officer	907 584	Not indicated yet
H Msimang	10002322	SED: Community Safety	892 968	Not indicated yet
M Makwarela	10004797	SED: Agriculture and Environmental Management	714 012	Not indicated yet
N Lukhwareni	00500419	SED: Public Works and Infrastructure Development	865 056	Not indicated yet
J de Beer	00505958	SED: Health and Social Development	700 008	Not indicated yet
M Phora	00504898	SED: Housing and Sustainable Human Settlement Development	834 456	Not indicated yet
Z Ndziba	10002930	SED: Corporate and Shared Services	909 084	Not indicated yet
T Mhleka	10004903	SED: Economic Development	798 516	Not indicated yet
O Nkoane	10005868	SED: City Planning and Regional Services	834 456	Not indicated yet
GM Nkwane	10004049	CEO: 2010	878 052	Not indicated yet
P Aborn	00500427	Programme Manager: Tshwane House	951 432	Not indicated yet

CHAPTER THREE: Disclosure of Senior Staff Benefits

3.5.1 Disclosures concerning councillors, directors and senior officials for the period 1 July 2007 to 30 June 2008

Description	Mayor	Members of the MC (list individually)	Total	Mayor	Members of the MC (list individually)	Total
Salaries and Wages R'000	2006/07			2007/08		
Normal	R527 223.75		R15 066 097.65			
Mamonare Patricia Chueu		R395 418.16				
Tessa Ernest		R395 418.16				
Subesh Pillay		R395 418.16				
Absolom Molafo Ditshoke		R395 418.16				
Sonto Sophia Thipe		R395 418.16				
Zodwa Lydia Masondo		R395 418.16				
Boesman William Mahlangu		R395 418.16				
Cornelius Thipe Mokoena		R395 418.16				
Gabriel Twala		R395 418.16				
Dikeledi Joahanna Lehobye		R395 418.16				
Travel and motor car	R175 741.25		R1 493 797.15			
Mamonare Patricia Chueu		R131 805.59				
Tessa Ernest		R395 418.16				
Subesh Pillay		R395 418.16				
Absolom Molafo Ditshoke		R395 418.16				
Sonto Sophia Thipe		R395 418.16				
Zodwa Lydia Masondo		R395 418.16				
Boesman William Mahlangu		R395 418.16				
Cornelius Thipe Mokoena		R395 418.16				
Gabriel Twala		R395 418.16				
Dikeledi Joahanna Lehobye		R395 418.16				
Other benefits and allowances (specify) R '000	R26 227,00		R157 267,00			
Mamonare Patricia Chueu		R131 104,00				
Tessa Ernest		R131 104,00				
Subesh Pillay		R131 104,00				
Absolom Molafo Ditshoke		R131 104,00				
Sonto Sophia Thipe		R131 104,00				
Zodwa Lydia Masondo		R131 104,00				
Boesman William Mahlangu		R131 104,00				
Cornelius Thipe Mokoena		R131 104,00				
Gabriel Twala		R131 104,00				
Dikeledi Joahanna Lehobye		R131 104,00				

» 3.6 HUMAN RESOURCE PRACTICES AND POLICIES

3.6.1 Review of HR policies

EXISTING POLICY (to be renewed)	NEW POLICY (to be developed)
GPMC Recruitment, Selection and Placement Policy	Staffing Policy (in process)
Grading Scheme	Policy on the control of Hazardous Biological Agents in the Workplace (in process)
Appointment requirement guidelines/procedures	
Accelerated progression	Retention strategy
Negotiated appointment notch	Policy on the use of personnel agencies
Delegated authorities for certain grading scheme aspects	Use of pregnant employees in Emergency and Metro Police Services (addressed in the approved fitness for work policy)
Waiving of appointment requirements: pinning principle	Practice with regard to the use of psychometrical and other tests
Transfer Policy	Remuneration Policy
Drug and Alcohol Policy	Desertion Policy
Management of Sick Leave Policy	Funeral Policy
Acting Policy	Overtime Policy
Career Management Policy	Relocation Policy
Change of Shift Systems in Emergency Services	Identification and handling of scarce type of employees (Could be addressed as part of Remuneration as well as Retention strategy)
Implementation of a uniform fixed allowance for Operational Personnel in Emergency Services	Retrenchment Policy
Employment Equity Policy	Redeployment Policy
Medical Surveillance Policy	Recognition of Prior Learning (RPL) Policy
Career Management Policy	Experiential training policy
Bursary Policy	

» 3.7 EMPLOYMENT EQUITY

Occupational categories	2006/07				2007/08				2006/07				2007/08				2006/07	2007/08
	Male				Male				Female				Female				TOTAL	TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured	Indian	White		
Legislators, senior officials and managers	142	14	11	219	35	3	3	40	66	4	5	87	11		1	14	548	107
Professionals	388	14	6	435	171	9	8	338	123	4	3	105	74	3	2	91	1078	696
Technicians and associate professionals	370	16	10	631	508	27	10	734	283	20	6	276	462	22	19	407	1612	2189
Clerks	1328	71	26	586	508	29	13	204	843	99	28	889	535	75	21	643	3870	2028
Service and sales workers	60	0	2	8	1142	36	9	430	59	1	0	3	492	7	1	48	133	2165
Skilled agricultural and fishery workers	30	0	0	4	25	1	1	28	27	0	0	1	4			13	62	72
Craft and related trades workers	462	5	1	315	827	9	2	378	11	0	0	11	21			10	805	1247
Plant and machine operators and assemblers	924	10	2	159	718	4	1	142	28	1	0	12	10			6	1136	881
Elementary occupations	3220	13	0	28	2252	11		211	179	3	0	4	198	3		3	3447	2678
TOTAL PERMANENT	6924	143	58	2385	6186	129	47	2505	1619	132	42	1388	1807	110	44	1235	12691	12063
Non-permanent employees	2667	7	4	99					340	11	5	93					3226	
GRAND TOTAL	9591	150	62	2484	6186	129	47	2505	1959	143	47	1481	1807	110	44	1235	15917	12063

Occupational levels	2006/07				2007/08				2006/07				2007/08				2006/07		2007/08	
	Male				Male				Female				Female				TOTAL		TOTAL	
	African	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured	Indian	White				
Top management	8	0	1	2	26	1	1	2	2	0	0	0	23	1	1		13	55		
Senior management	134	14	10	217	31	3	2	77	64	4	5	87	4		1	16	535	134		
Professional qualified and experienced specialists and mid-management	758	30	16	1066	118	10	7	400	406	24	9	381	65	4	2	148	2690	754		
S. Tech, Ac qualified work; Junior management, Supervisors, Foremen Superintendants	1880	76	29	913	1032	46	18	1246	940	100	28	904	576	32	17	576	4870	3543		
Semi-skilled and discretionary decision-making	924	10	2	159	2329	47	19	515	28	1	0	12	931	70	23	488	1136	4422		
Unskilled and defined decision-making	3220	13	0	28	2650	22		265	179	3	0	4	208	3		7	3447	3155		
TOTAL PERMANENT	6924	143	58	2385	6186	129	47	2505	1619	132	42	1388	1807	110	44	1235	12691	12063		
Non-permanent	2667	7	4	99					340	11	5	93					3226			
GRAND TOTAL	9591	150	62	2484	6186	129	47	2505	1959	143	47	1481	1807	110	44	1235	15917	12063		

» 3.8 SKILLS DEVELOPMENT

2005/6 financial year

A total of 7 238 people were trained in terms of skills priorities. Altogether 3 690 people were trained in SAP computer system transactions. The overall number of people who were trained during 2005/06 is 10 928.

The total expenditure on training for various skills priorities was R4 628 063,02.

2006/07 financial year

A total of 7554 individuals were trained in terms of skills priorities, including OITPS training.

The total expenditure on training for various skills priorities was R6 615,081.19.

2007/08 financial year

A total number of 8 078 individuals were trained in terms of skills priorities, excluding OITPS training.

The total expenditure on training for various skills priorities was R5 036 788.17

3.8.1 Skills levies

A total of **R16 266 476, 26** was paid in skills levies to the LGSETA in the 2005/6 financial year.

A total of **R14 554 673, 54** was claimed back in terms of Grants C and D in the 2005/06 financial year.

A total of **R17 959 155.42** was paid in skills levies to the LGSETA in the 2006/07 financial year.

A total of **R10 638 395.92** was claimed back in terms of Grant C in the 2006/07 financial year.

A total of **R19 454 611.30** was paid in skills levies to the LGSETA in the 2007/08 financial year.

A total of **R7 622 163.11** was claimed back in terms of Grant C in the 2007/08 financial year.

3.8.2 Learning intervention statistics

OCCUPATIONAL CATEGORY	2006/07	2007/08
Clerks	1 059	1 474
Craft and related trades workers	560	554
Elementary occupations	434	471
Legislators, senior officials and managers	60	121
Plant and machine operators and assemblers	178	207
Professionals	567	606
Service and sales workers	500	1 910
Skilled agricultural and fishery workers	72	70
Technicians and associated professionals	1 833	2 041
Bursars	1	
Temporary employees	10	
Learnership placements	49	
Pensioners	2	
No classification available		624
Grand total	5 325	8 078

3.8.3 Bursaries

The total number of bursaries allocated for 2007/08 is as follows:

OCCUPATIONAL CATEGORIES	TOTALS
Skilled agricultural and fishery workers	
Technicians and associated professionals	
Bursars	1 500
Temporary employees	
Learnership placements	
Pensioners	
Grand total	1 500

	2006/07	2007/08
Employees	210	192
Non-employees	20	16
Non-employees (social responsibility)	60	15
Mayoral Grade 12 Awards	30	29
Total	320	252

3.8.4 Learnerships and apprenticeships for 2007/08

Name of learnership Name of apprenticeship	Department	Number of students during intake of learnership or apprenticeship	Provider
EPWP Vukuphile learnership	Service Delivery	33	South Africa Value Education
Environmental Education, Training and Development Practices Learnership	Environmental Management	1	Zanokuhle/Wildlife and Environment Society of South Africa
National Certificate: Fire and Rescue Operations (NQF 4)	Emergency Management Service Department	29	Emergency Management Training
Water Service Hand	HR	5	Premos
EPWP	Electricity	94	PGH and TFET
Vehicle Mechanic	HR	43	Premos
Plumber	HR	20	Premos
Welding	HR	30	Premos
Fitting and Turning	HR	27	Premos
Boilermaker	HR	12	Premos
Auto Electrician	HR	7	Premos
Electrician	HR	34	Premos
	Total	335	

» 3.9 OCCUPATIONAL HEALTH AND SAFETY

Activity	Total employees/incidents 2006/07	Total employees/incidents 2007/08
Medical surveillance including biological monitoring	3 500	3 362 employees
Initial and exit medical examinations	968	752 employees
Evaluation of medically incapacitated employees	107	76 cases
Development of occupational risk profiles	420	408 profiles
Immunisation against Hepatitis B	1 123	1 402 immunisations
General medical services provided	10 062	10 566 clinic visits
Specialised and general health and safety training provided to employees	12 094	2 852 employees
Legal compliance audits	147	162 audits
Inspections of workplaces	220	201 inspections
Accident recorded, investigated and legally required documentation produced	858	814 incidents
Tenders and quotes evaluated in terms of health and safety requirements	88	504 quotes and tenders
Health and Safety Committee meetings attended as co-opted members	360	285 meetings
Occupational hygiene surveys performed	46	52
Assessment of stressors done	29	22

3.9.1 Employment Wellness Management

Summary of statistics for the period 1 July 2007 to 30 June 2008:

	2006/07	2007/08
New cases	348	381
Follow-up	725	823
Closed cases		145
Total	1 073	1 349

Categories of problems managed in the City of Tshwane:

		New cases	Follow up	Interview		Counselling	Number of cases closed
				Personal	Telephonic		
1	Depression	44	92	43	55	58	13
2	Stress	50	89	52	49	64	17
3	Marital	28	114	70	139	96	19
4	Family	17	42	38	38	43	11
5	Children	12	19	17	19	16	2
6	Substance abuse	10	24	27	35	23	5
	- Alcohol	10	68	46	64	48	14
	- Other	15	31	38	34	29	4
7	Psychiatric problems	4	18	15	22	28	1
8	Interpersonal problems	25	40	22	18	16	7
9	Relationship problems	5	16	11	17	15	6
10	Injury on duty	2	6	8	3	8	1
11	Disciplinary-related affairs	13	39	32	36	34	9
12	Financial	33	66	34	45	45	5
13	PTSD	22	46	36	29	44	12
14	HIV and Aids	1	6	4	1	1	1
15	Fitness for duty	5	8	3	10	5	2
16	Maintenance	5	9	4	3	4	2
17	Other	43	42	3	5	7	0
18	Bereavement	2	1	2	1	2	2
19	Trauma	12	18	11	6	13	7
20	Work related	22	28	16	5	19	4
21	Medical treatment	1	1	2	0	2	1
Total		381	823	534	634	620	145

» 3.10 PERFORMANCE MANAGEMENT

During the 2007/08 financial year, the individual performance management policy for top management at organisational levels 1, 2 and 3 had to be revised. This is mainly to give effect to Regulation 805 of 2006 (Municipal Performance Regulation for Municipal Managers and Managers directly accountable to Municipal Managers). Certain gaps were also identified after an audit of the performance results of 2006/07. The new policy as developed for top management therefore focuses on the full implementation of the performance management principles as set out in Regulation 805 and addresses the identified gaps in the City of Tshwane. Note must be taken that although Regulation 805 only pertains to the City Manager and his or her direct reports (City of Tshwane Departmental Heads), the principles are as far as possible also being made applicable to the City of Tshwane level 3 posts (Divisional Heads) for purposes of consistency. The individual performance management policy for permanent employees was also finalised to start giving effect to the proper aligned cascading of performance management to the lower levels.

» 3.11 PENSION FUNDS

The composition of membership per pension and provident fund was as follows:

Fund	2006/07	2007/08
	Number of members	Number of members
National Pension Fund for Municipal Workers	3 251	3 114
Municipal Gratuity Fund	1 452	1 408
Joint Municipal Pension Fund	64	56
Municipal Workers Pension Fund	1 859	1 796
Samwu National Pension Fund	979	958
Tshwane Municipal Provident Fund	1 639	2 276
Tshwane Municipal Pension Fund	327	433
Sala Provident Fund	97	94
Sala Pension Fund	992	970
Germiston Municipal Retirement Fund	2	1
Government Employees Pension Fund	122	204
Meshawu Gratuity Fund	61	60
Pension Fund for Councillors	108	109
TOTAL	10 953	11 479

» 3.12 MEDICAL AID FUNDS

Membership of the medical aid funds was as follows:

Fund	2006/07	2007/08
	Number of members	Number of members
Bonitas	2 685	2 860
Hosmed	4 191	4 277
Global (was Pretmed)	1 616	2 432
Pro Sano	0	0
Omnitop	0	0
Munimed	1 368	0
Medihelp	0	0
Bensure	0	0
LA Health	334	316
SamwuMED	120	183
TOTAL	10 314	10 068

» 3.13 OUTSTANDING AMOUNTS OWED TO THE MUNICIPALITY BY EMPLOYEES

Sundry debtors: Loans

Loan type	GL number	Closing 30/06/2008	
		Number of loans	Balance
Motor loans	50080	97	R 2 134 389,02
Computer loans	50100	No data available	No data available
Study loans	50110	No data available	No data available
University loans	50120	2	R 13 929,67
Damaged/lost goods loans	149300	22	R 206 675,75
Council recovery loans (overpayments etc)	149300	631	R 2 544 575,94
TOTAL			R 4 899 570,38

04

CHAPTER FOUR

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS



» 4.1 REPORT OF THE AUDITOR GENERAL

Report of the auditor General to the gauteng provincial legislature and the council on the group Financial Statements and Performance information of the City of Tshwane Metropolitan Municipality for the year ended 30 June 2008.

Report on the Financial Statement

Introduction

1. I have audited the accompanying group financial statements of the City of Tshwane Metropolitan Municipality (City of Tshwane) which comprise the consolidated and separate Statement of Financial Position as at 30 June 2008, consolidated and separate statement of financial performance, consolidated and separate statement of changes in net assets and consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [xx] to [xx].

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act. 56 of 2003) (MFMA). This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act 25 of 2004) (PAA) and section 126 of MFMA, my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:

- appropriateness of accounting policies used
- reasonableness of accounting estimates made by management
- overall presentation of the financial statements.

7. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1 Presentation of Financial Statements requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the City of Tshwane in this respect will be limited to reporting on non-compliance with this disclosure requirement.

8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note xx.

Basis for qualified opinion**Property rates and property values**

10. I could not satisfy myself as to the accuracy, completeness and occurrence of the amounts (current and corresponding figures) disclosed as property rates and property values in the state-

ment of financial performance and note 18 to the financial statements, as incomplete and insufficient information was provided for audit purposes. No alternative audit procedures could be performed and, consequently, I was unable to satisfy myself as to the completeness, occurrence and accuracy of the property rates and the property values as at 30 June 2008 totalling R2,181 billion (30 June 2007: R1,719 billion) and R20,616 billion (30 June 2007: R21,333 billion), respectively.

Property, plant and equipment

11. The City of Tshwane did not recognise certain items of property, plant and equipment with a purchase value of less than or equal to R10 000. The cumulative amount of these items expensed over the years total about R155,167 million. Expensing these amounts was in contravention of the Generally Accepted Municipal Accounting Practice, GAMAP 17 Property, Plant and Equipment, which states that an item of property, plant and equipment that qualifies for recognition as an asset shall be carried at cost less any accumulated depreciation. Therefore the carrying value of property, plant and equipment is misstated by an unknown amount, as the depreciation and accumulated depreciation cannot be accurately determined. No alternative audit procedures could be performed.

Qualified opinion

12. In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to satisfy myself as to the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the City of Tshwane Metropolitan Municipality and group as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting and in the manner required by the MFMA.

Emphasis of matter

I draw attention to the following matter:

Amendments to the applicable basis of accounting

13. As set out in accounting policy note 1, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of General Notice 552 of 2007, issued in Government Gazette 30013 of 29 June 2007.

OTHER MATTERS

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Internal controls

14. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk

management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
Property rates and property values		X	X		
Property, plant and equipment			X		
<p>Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.</p> <p>Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.</p> <p>Control activities: policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.</p> <p>Information and communication: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.</p> <p>Monitoring: covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard check-lists, by employees within a process.</p>					

Non-compliance with applicable legislation

Municipal Finance Management Act

15. In 2001 the then City of Tshwane council resolved to provide an official residence to the mayors of City of Tshwane. This provision of an official residence to a mayor does not fall within the framework of the Remuneration of Public Office Bearers Act, 1998 (Act. 20 of 1998), which in turn results in the transgression of section 167 of the MFMA which came into effect in 2004 and states that a municipality may remunerate its members of the political structure only within the framework of the Remuneration of Public Office Bearers Act, 1998. If it falls outside this, it must be classified as irregular expenditure and the municipality must take the appropriate steps as required.

Matters of governance

16. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as shown on the next page:

CHAPTER FOUR: Report of the Auditor General

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.	X	
• The audit committee operates in accordance with approved, written terms of reference.	X	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	X	
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.	X	
• The internal audit function operates in terms of an approved internal audit plan.	X	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.	X	
Other matters of governance		
• The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA.	X	
• The annual report was submitted to the auditor for consideration before the date of the auditor's report.	X	
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		X
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information.		X
• The prior year's external audit recommendations have been substantially implemented.		X
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
• The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.	X	
• The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.	X	
• The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.	X	

Unaudited supplementary schedules

17. The supplementary information set out on pages XXXX to XXX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly do not express an opinion on them.

OTHER REPORTING RESPONSIBILITIES

Report on Performance Information

18. I have audited the performance information as set out on pages xx to xx.

Responsibility of the accounting officer for the performance information

19. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act. 32 of 2000) (MSA).

Responsibility of the Auditor-General

20. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette 31057 of 15 May 2008 and section 45 of the MSA.

21. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

22. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)**Non-compliance with regulatory requirements**

23. Although the integrated development plan (IDP) was adopted on 31 May 2007, the public was only notified on 5 October 2007 and not on a timely basis as required by section 25(4) of the MSA.

24. A performance management specialist was only appointed in January 2008 with the result that there was no performance management specialist for the period 1 July 2007 to 31 December 2007. Furthermore, the terms of reference of the audit committee were not amended during the 2007/08 financial year to make provision for the performance management specialist and to incorporate the roles and responsibilities pertaining to performance management. The audit committee charter was subsequently amended and approved by the council on 2 October 2008, but the amendments made are only applicable to the 2008-09 financial year.

25. Two separate performance audit committees were established at the City of Tshwane. The council appointed an audit committee and resolved that it be used as the City of Tshwane performance audit committee during January 2008. Subsequent to this appointment, however, the remuneration and performance management committee, established on 25 August 2005, was also appointed as a performance audit committee by the mayoral committee per a resolution dated 22 October 2008.

26. Measures to improve performance were not always disclosed in the annual performance report, as required by section 46(1)(c) of the MSA.

27. The internal audit unit did not perform audit evaluations and reviews on the 2007/08 first and second quarterly performance reports, as required by section 45 of the MSA. Furthermore, although the provisional 2007/08 mid-year report was submitted to the mayoral committee on 16 January 2008 and submitted to the council on 24 January 2008, this report was only referred to internal audit for evaluation and review on 6 June 2008.

28. A signed service level agreement between the City of Tshwane and the Housing Company Tshwane, as required in terms of sections 76 and 77 of the MSA, could not be provided for audit purposes.

No correlation between performance targets in the IDP

29. The following were noted with regard to the performance targets as contained in the IDP:

- The sum total of the annual targets over a period of five years (2006-2011) does not agree to the total as per the five-year departmental targets.
- In some instances, there is no correlation between the annual performance targets and the departmental targets set for the five-year programme.

Targets inconsistent between IDP and annual performance report

30. Some of the approved targets as contained in the 2007/08 IDP are inconsistent with the targets as reported in the 2007/08 annual performance report. The following targets serve as examples:

- Quality infrastructure
- Maintenance of roads
- Maintenance of transport facility
- Maintenance of traffic signals

Lack of sufficient appropriate audit evidence

31. In verifying the actual performance against predetermined objectives of the City of Tshwane for the 2007/08 financial year in relation to the development priority and objective "Provide quality basic services and infrastructure" as contained in the 2007/08 annual performance report, the following were noted:

- In some instances evidence submitted for audit purposes was not sufficient and appropriate to support the actual targets achieved.
- In other instances evidence to support the actual targets achieved as contained in the 2007/08 annual performance report was not submitted for audit purposes as requested.

Evidence inconsistent with reported performance information

32. The percentage of unaccounted for water as per the water and sanitation departmental report did not agree with the percentage of unaccounted for water as reported in the 2007/08 annual performance report.

Incomplete performance information submitted

33. I was not able to verify that the performance information relating to the municipal entities was incorporated in the 2007/08 City of Tshwane annual performance report. The performance information relating to the percentage of unaccounted for water as detailed in the performance report of the Sandspruit Works Association serves as an example.

Furthermore, the annual performance report submitted for audit purposes on 31 August 2008 was incomplete and did not in all instances include essential information as required by the relevant laws and regulations.

OTHER REPORTS**Investigations**

34. Various investigations are currently in progress at the City of Tshwane, in conjunction with the internal audit unit and various departmental heads. The investigations cover a wide range of activities at the City of Tshwane and were still ongoing at the date of this report. The effect on the financial statements is therefore unknown.

APPRECIATION: The assistance rendered by the staff of the City of Tshwane during the audit is sincerely appreciated.

Auditor General

Auditor-General



» 4.2 REPORT OF THE CHIEF FINANCIAL OFFICER

4.2.1 Introduction

Over the past number of years the City of Tshwane has proved that it is committed to sound financial management. The 2007/08 financial year is again a clear reflection that all roleplayers have tried to balance investment in economic and social infrastructure, addressing the continued promotion of growth and poverty alleviation and job creation.

The budget and the City of Tshwane's five-year strategic plan are aligned with the vision and imperatives of national government, which are to address service delivery backlogs and to comply with the Municipal Finance Management Act, 2003 (Act 56 of 2003). Furthermore, the budget gives tangible meaning to the five-year programme and its priorities, which are to –

- provide quality basic services and infrastructure throughout the city;
- ensure accelerated shared and higher local economic growth and development;
- fight poverty and build clean, healthy, safe and sustainable communities;
- foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service;
- ensure good governance, financial viability, the building of institutional capacity and the optimisation of transformation with the administration having the capacity to execute its mandate.

This five-year strategic plan and programme of action are the foundation of the City of Tshwane's 2007/08 Medium-term Revenue and Expenditure Framework (MTREF). All the initiatives and programmes which were included in the 2007/08 MTREF could only be sustained if sound financial management and planning principles were applied.

A key requirement for the economic success of the City of Tshwane is its investment in strategic economic infrastructure, complemented by private sector and community investments. The City of Tshwane's growth strategy seeks to increase the growth rate and translate it into job creation and other economic opportunities.

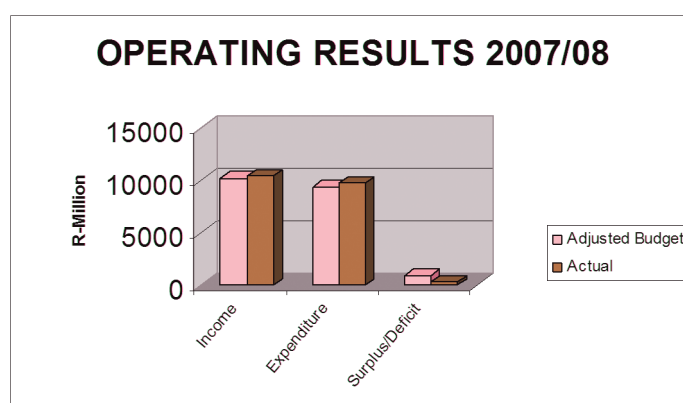
The City of Tshwane has challenges similar to that of other metropolitan municipalities in addressing disparities in levels of service and infrastructural development in its area of jurisdiction. This calls on the Municipality to use its resources wisely to satisfy the needs of the community. As a developmental and caring local government, the City of Tshwane is committed to working with residents to find sustainable ways to meet their social, economic and material needs and to improve the quality of their lives. Local authorities have a duty to ensure that policies and legislation aimed at developing communities are implemented.

4.2.2 Review of Operating Results

The 2007/08 budget of the City of Tshwane was approved by the Council on 31 May 2007 and the adjustments budget was approved by the Council on 24 January 2008. Figures with regard to the 2007/08 original budget as well as the adjusted budget are included in this report. The budgets of the municipal entities are not included, as some of the budgets were unavailable.

4.2.2.1 General

Details of the 2007/08 operating results per department and classification of revenue and expenditure are included in the Statement of Financial Performance and Annexure D. The operating results are shown in the graph below:



The overall operating results for the year ended 30 June 2008 are as follows:

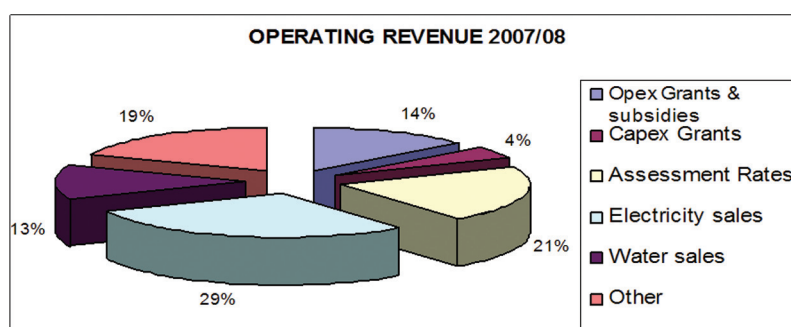
Description	Original budget 2008 Municipality R'000	Adjusted budget 2008 Municipality R'000	Actual 2008 Municipality R'000	Actual 2008 Group R'000	Variance actual/adjusted budget %	Actual 2007 Municipality R'000	Actual 2007 group R'000
REVENUE							
Accumulated surplus: Beginning of year			731 314	827 171		501 052	622 648
Operating revenue for the year	10 206 759	10 234 429	10 120 794	10 402 043	1,63	8 601 482	8 790 719
	10 206 759	10 234 429	10 882 108	11 229 214		9 102 534	9 413 367
EXPENDITURE							
Operating expenditure for the year	9 037 141	9 338 367	9 263 350	9 588 216	2,67	8 288 558	8 547 579
Sundry transfers *	1 169 618	896 062	144 359	137 527		52 662	38 617
Accumulated surplus: End of year			1 474 399	1 503 471		761 314	827 171
	10 206 759	10 234 429	10 882 108	11 229 214		9 102 534	9 413 367

* Sundry transfers consist of transfers to and from the reserves, for example offset depreciation for projects financed from grants and the capital replacement reserve.

The actual net expenditure of the Municipality reflects an increase of 11,8% (group increased with 12,2%) while the actual revenue of the Municipality has increased by 17,7% (group increased with 18,3%) since 2006/07. The largest increase on revenue occurred in assessment rates, service charges and government grants and subsidies. The largest increase on expenditure occurred in remuneration, collection cost, bulk purchases, repair and maintenance, general expenditure and the contribution to the provision for bad debt in respect of RSC levies.

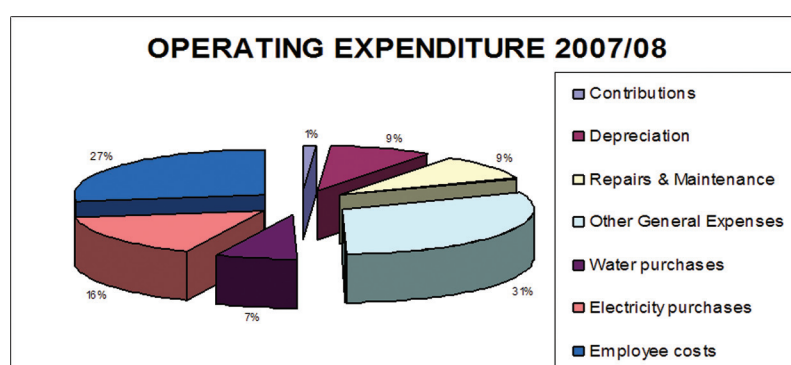
4.2.2.2 Operating revenue

The following graph gives a breakdown of the largest categories of revenue.



4.2.2.3 Operating expenditure

The graph below gives the breakdown per main expenditure group.

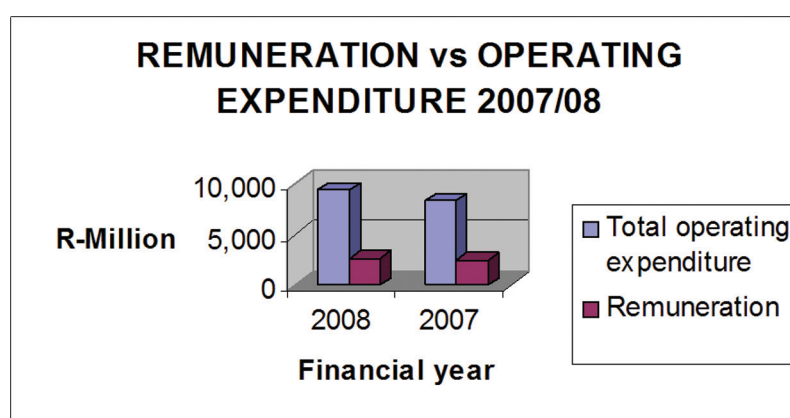


Remuneration

The actual expenditure on remuneration expressed as a percentage of the total expenditure shows a slight decrease from 29,10% (group = 28,61%) in 2006/07 to 28,29% (group = 27,80%) in 2007/08. According to INCA a benchmark of less than 35% is acceptable. The total remuneration cost and the allocation of individual items in a remuneration package differ from municipality to municipality. For example, certain municipalities are more contracts intensive

whereas others might be more labour intensive. In terms of the restructuring grant, the target for remuneration as a percentage of revenue is 33%.

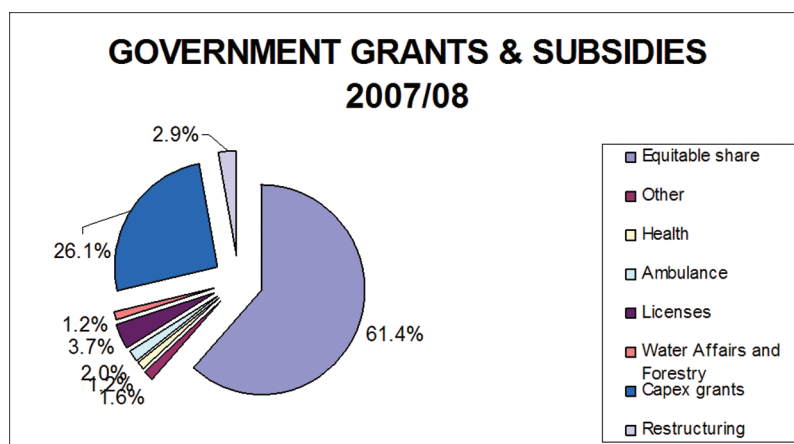
Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
Total operating expenditure	9 263 351	9 588 216	8 288 558	8 547 579
Total operating revenue	10 120 794	10 402 043	8 601 482	8 790 719
Employee remuneration	2 621 003	2 665 394	2 412 004	2 445 747
Ratio: Percentage of total expenditure	28,29%	27,80%	29,10%	28,61%
Ratio: Percentage of total revenue	25,89%	25,62%	28,04%	27,82%
Percentage growth in remuneration	8,66%	8,98%	11,64%	11,60%



4.2.2.4 Government grants and subsidies

The following table and graph show the amounts of grants, contributions and subsidies received from the central government and the Gauteng Provincial Government, which amounts have been included in the total revenue as shown below:

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
Equitable share	1 101 416	1 101 416	1 002 650	1 002 650
Provincial health subsidy	22 669	22 669	21 499	21 499
Provincial ambulance subsidy	35 079	35 079	31 200	31 200
National safety grant	0	0	419	419
Provincial motor vehicle licences refund	66 191	66 191	58 252	58 252
Capex: Grants and donations	467 680	467 680	317 834	317 834
Opex: Grants and donations	149 974	149 974	42 486	42 486
Finance management grant	699	699	2 118	2 118
Restructuring grant	52 228	52 228	48 371	48 371
Department of Water Affairs and Forestry	18 790	21 063	14 265	14 265
MSIG	2 502	2 502	2 000	2 000
Roodeplaat Temba Water Services Trust	0	0	25 000	0
Other	0	0	0	700
	1 917 228	1 919 501	1 566 094	1 541 794



4.2.3. Debtors

Details regarding the debtors are provided in note 13 (long-term receivables), note 15 (consumer debtors) and note 16 (other debtors) of the Notes to the Consolidated Annual Financial Statements.

The long-term receivables showed a decrease of R56,240 million (14,5%). This decrease can mainly be ascribed to a decrease in the arrangements regarding consumer debtors (decrease of R17,998 million), a decrease in the sale of land (R4,102 million), a decrease in motor car loans to officials (decrease of R5,919 million) owing to the phasing out of these motor car loans, and a decrease in housing loan debtors (increase of R8,520 million).

In the group the loan of R1,506 million to Botselo Water (relating to the Sandspruit Works Association entity) was redeemed during 2007/08.

For the Municipality the consumer debtors increased with R363,674 million (11,6%) in total and for the group the consumer debtors increased with R419,736 million (12,75%).

The increase in debt per customer classification is made up as shown below:

Customer classification	Parent		Group	
	Total R-million	Increase / (decrease) R-million	Total R-million	Increase / (decrease) R-million
Households	2 348,333	299,935	2 550,883	355,997
Industrial/commercial	666,941	(148,013)	666,941	(147,913)
National and provincial government	49,143	(23,227)	49,143	(23,227)
Other	445,797	234,979	445,797	234,979
Total	3 510,214	363,674	3 712,763	419,736

The increase in consumer debt per ageing analysis is as follows:

Age analysis group	Parent		Group	
	Total R-million	Increase/ (decrease) R-million	Total R-million	Increase/ (decrease) R-million
Current (0 to 30 days)	1 038,362	147,584	1 240,911	203,646
31 to 60 days	197,017	5,962	197,017	5,962
61 to 90 days	101,992	36,443	101,992	36,443
Over 91 days	2 172,843	173,685	2 172,843	173,685
Total	3 510,214	363,674	3 712,763	419,736

The other debtors (debtors other than consumer debtors – see note 16 for details) for the Municipality decreased with R52,852 million (9,9%) in total. For the group, other debtors decreased with R41,913 million (7,4%).

The RSC levies debtors decreased with R36,054 million. These decreases were counteracted by an increase in other current debtors of R29,389 million, which can mainly be ascribed to an increase in sundry rentals and sundry year-end debtors which include outstanding ambulance subsidies and outstanding health subsidies, waste management bulk containers, Sandspruit Works Association outstanding credit notes and amounts paid in advance. For the group the housing debtors increased with R9,768 million.

4.2.3.1 Consumer debtors

The following is an indication of the effectiveness of credit control measures, as well as the ability to convert debt into cash:

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
Debits levied: Consumer debtors	7 019 976	7 105 978	5 920 710	5 991 373
Balance on 1 July	3 146 540	3 293 028	2 959 669	3 211 075
Balance on 30 June	3 510 214	3 712 763	3 146 540	3 293 028
Average balance	3 328 377	3 502 896	3 053 105	3 252 052
Days in the financial year	366	366	365	365
Turnover: Number of days	173	180	188	198
Turnover: Number of times (levies/average balance)	2,11	2,03	1,94	1,84

From the table it is clear that, although the number of days to recover debt decreased from 188 to 173 since 2006/07, the outstanding consumer debt of the Municipality is still negative. This high turnover has serious implications for the cash flow of the Municipality. For the group the number of days to recover debt decreased from 198 to 180.

A collection rate (for the Municipality only) calculated on the total levies for a period compared to the total payments received during the same period is used to measure revenue recovery. The credit control policy and the actions taken in terms of the policy started producing better results, since an average collection rate of 99,0% (2006/07 = 98,3%) was maintained by the Municipality during the 2007/08 financial year.

4.2.4 Capital Expenditure and Financing (only for the Municipality)

The Municipality's original approved capital expenditure budget for 2007/08 amounted to R2 315 840 000 and was accepted by National Treasury. This capital budget was amended by means of an adjustments budget approved by the Council on 24 January 2008 to R2 071 179 988 in total, as a result of strategic units requesting to review the performance of the capital programme. Reductions in the following grant funding projects were addressed:

- Housing Government Programme by R219 million; and
- Provincial Grants and Subsidies by R40 million.

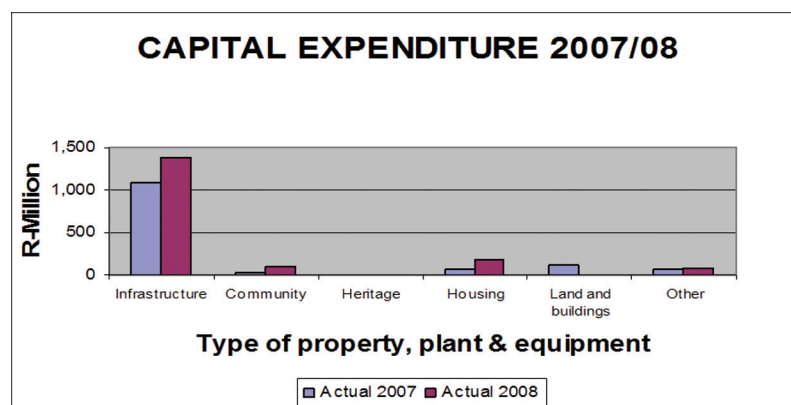
Actual capital expenditure incurred during the year in respect of property, plant and equipment amounted to R1 757 902 300. The actual capital expenditure is 28,7% more than the previous financial year, but only relates to a 84,9% performance against the adjusted budget for 2007/08. The actual expenditure is 15,1% less than the adjusted budget, which can mainly be attributed to non-achieving on the SDBIP targets due to various reasons, for example:

- Delays due to geological conditions
- Workmanship quality and material acquisition problems

The actual grant receipts for the 2007/08 financial year with regard to housing projects was R178 541 819 (top structures = R137 576 552). However, the actual capital expenditure on housing projects realised R187 192 505 (top structures = R125 601 978).

Actual capital expenditure according to asset class		
Type of asset	Actual 2008 R	Actual 2007 R
Infrastructure	1 384 562 498	1 089 227 810
Community	94 565 396	35 857 650
Heritage	0	0
Housing	186 983 791	61 150 290
Land and buildings	3 751 441	120 966 020
Other	88 039 174	58 642 235
Total	1 757 902 300	1 365 844 005

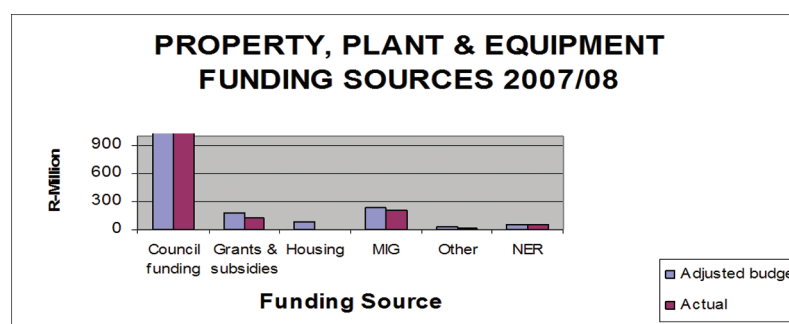
The graph shows the distribution of property, plant and equipment according to the type.



The above property, plant and equipment were financed from the following sources:

Type of finance	Original budget 2008 R-million	Adjusted budget 2008 R-million	Actual 2008 R-million	Actual as percentage of adjusted budget 2008 (%)	Actual 2007 R-million
Council funding	1 488 090	1 492 008	1 279 822	85,7	1 041 958
Provincial grants and subsidies	224 410	183 410	127 299	69,4	17 377
Government housing grant	303 782	84 322	62 191	73,8	86 304
Municipal infrastructure grant (MIG)	236 267	234 108	208 975	89,3	184 824
National Electricity Regulator (NER)	37 400	52 400	52 228	99,7	28 629
Other funding	28 350	24 933	17 288	69,3	6 752
Total	2 318 299	2 071 180	1 757 902	84,9	1 365 844

The following is a graphic presentation according to financing sources:



When comparing the actual expenditure to the budgeted expenditure, the financing source of capital projects plays an important role. The funding from own sources, which are primarily the capital replacement reserve and the external financing fund (external loans taken up), can largely influence the following aspects:

- Depreciation
- The raising of loans
- The cash flow of the Municipality

4.2.5. Accounting Ratio

4.2.5.1 Current asset ratio

The current asset ratio mainly involves the financial resources used in the operating cycle of a local authority. Operating capital represents the surplus of current assets over current liabilities. This is a useful indicator when determining the ability to fund operating expenditure. This ratio measures the extent to which the current liabilities are covered by the current assets. A larger coverage means a lower risk, since short-term debt can be paid out of short-term assets. The following table shows the calculation of the operating capital ratio:

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
CURRENT ASSETS:				
Cash	43 236	214 534	69 349	261 106
Inventory	216 602	232 919	165 944	209 738
Debtors	2 629 953	2 664 115	2 479 056	2 503 499
Investments	660 689	704 873	969 958	1 033 013
Short-term portion of long-term debtors	103 377	103 377	27 840	27 840
Total	3 653 857	3 919 818	3 712 147	4 035 196
CURRENT LIABILITIES:				
Creditors	2 179 649	2 284 660	2 089 566	2 238 284
Provisions	0	782	0	2 319
Short-term portion of long-term liabilities	172 573	189 530	232 569	249 521
Short-term portion of finance lease liabilities	154 231	154 231	97 125	97 125
Deposits	267 979	269 510	257 579	257 579
Overdrawn bank account	106 407	106 679	46 002	46 002
Total	2 880 839	3 005 392	2 722 841	2 890 830
Net operating capital	773 018	914 426	989 306	1 144 366
Current asset ratio	1,27:1	1,30:1	1,36:1	1,39:1
Current asset ratio excluding consumer debt of 90 days and older	0,57:1	0,58:1	0,63:1	0,70:1

The ratio decreased slightly since 2006/07. This is because the current liabilities increased by 3,9% (group = 2,2%) whereas the current assets increased by 0,5% (group = 0,9%). The decrease in current assets can mainly be ascribed to the decrease in investments as well as a decrease in cash. The increase in current liabilities mainly lies with the increase in deposits and an increase in the bank overdraft as well as an increase in trade creditors.

In the 2007/08 financial year finance leases were accounted for under liabilities for the first time. However, the 2006/07 figures were restated accordingly.

The private sector sets a ratio of 2:1 as being acceptable, but a norm for local government is

currently not available. If the consumer debtors of 90 days and older are excluded from the calculation, the ratio decreases considerably (see the table above).

4.2.5.2 Quick asset ratio (acid test)

This ratio is a more accurate test of a local authority's ability to settle its short-term debt. When calculating this ratio, only assets that can be converted into cash are taken into account.

Since material and stock are for the local authority's own use and are not for sale, they are not included in the calculations. The private sector sets a ratio of 1:1 as being acceptable.

The figures that follow reflect the Municipality's quick asset ratio for the following years:

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
Current assets	3 653 857	3 919 818	3 712 147	4 035 196
Less: Inventory	216 602	232 919	165 944	209 738
Total	3 437 255	3 686 899	3 546 203	3 825 458
Current liabilities	2 880 839	3 005 392	2 722 841	2 890 830
Quick asset ratio	1,19:1	1,23:1	1,30:1	1,32:1
Quick asset ratio excluding consumer debt older than 90 days	0,44:1	0,50:1	0,57:1	0,63:1

If the consumer debtors of 90 days and older are excluded from the calculation the ratio decreases considerably (refer to table above).

4.2.5.3 Solvability

In this ratio, the total assets are compared to the total liabilities, and it shows the ability of the Municipality to meet its obligations in the long term.

A ratio of less than one is an indication of insolvency. The following table shows the calculation of the solvency ratio as shown overleaf:

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
TOTAL ASSETS:				
Current assets	3 653 857	3 919 818	3 712 148	4 035 196
Long-term receivables	189 763	189 763	322 027	323 533
Property, plant and equipment	9 841 958z	10 261 837	8 450 806	8 898 619
Total	13 685 578	14 371 418	12 484 980	13 257 348
TOTAL LIABILITIES:				
Current liabilities	2 880 839	3 005 392	2 722 841	2 890 830
Plus: Long-term loans	2 705 772	3 211 660	2 602 026	3 137 492
Non-current provisions	87 211	87 211	5 263	5 263
Lease liabilities	107 165	131 413	107 703	107 703
Reserves	6 430 191	6 430 192	6 285 833	6 288 888
Total	12 211 178	12 865 868	11 723 666	12 430 176
Solvability ratio	1,12: 1	1,12:1	1,06:1	1,07:1

The total assets of the Municipality increased with 9,6% (group = 8,4%) while the total liabilities increased with only 4,2% (group = 3,5%), resulting in an increase in the solvability ratio as stated above.

Property, plant and equipment increased with 16,5% (group = 15,3%) while external loans increased with 3,9% (group = 2,4%) and the accumulated funds increased with 2,2%.

4.2.5.4 Total long-term debt to total revenue ratio

According to credit rating companies, the benchmark for local government is a ratio of less than 50%. The ratio decreased from 35,34% (group = 40,85%) to 31,02% (group = 35,44%) since 2006/07. This decrease can be ascribed to the fact that the total debt increased with only 3,3% (group = 2,6%) in relation to the increase of 17,7% (group = 18,3%) in total revenue.

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
Total debt	3 139 741	3 686 834	3 039 423	3 591 841
Total revenue	10 120 794	10 402 043	8 601 482	8 790 719
Ratio	31,02%	35,44%	35,34%	40,85%

4.2.5.5 Inventory turnover (only with regard to the Municipality)

Inventory turnover is considered a key measure of management efficiency. It is a measure of how often, during the course of a financial year, a company sells and replaces its inventory. As

a general rule, a higher ratio for inventory turnover is better. However, the standard varies dramatically from industry to industry. A ratio of 2,5 times per year is considered acceptable for the large municipalities.

- June 2008: 2,8 times per year
- June 2007: 2,8 times per year

Although the value of the inventory of the Municipality increased since 2006/07 with R50,7 million (the main factor is the increase in the electricity inventory for project material), the turnover remained unchanged on 2,8 times per year. This can be attributed to the fact that the turnover is an average calculated for all inventory items in all stores.

4.2.5.6 Overdraft (cashbook balance) plus short-term loans to total operating revenue

	Municipality	Group
June 2008:	2,76%	2,85%
June 2007:	3,24%	3,36%

According to credit rating companies, the benchmark is a ratio of less than 5%. The ratio improved due to a decrease in the short-term portion of external loans (decrease of 25,8%) and an increase in revenue of 17,7% since 2006/07. The group showed a decrease in the short-term portion of external loans of 24,0% and an increase of 18,3% in revenue since 2006/07.

4.2.5.7 Cash to interest coverage

This ratio indicates to what extent a local authority can generate sufficient cash from its normal activities to cover its external interest liabilities. If the ratio is less than 1:1, it may indicate future cash flow problems. The ratio for the past two financial years is as follows:

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
Cash generated from operations (net cash flow)	1 593 885	1 611 774	1 130 748	1 184 648
Interest paid on external loans	362 150	431 882	351 219	430 866
Ratio	4,40:1	3,73:1	3,22:1	2,75:1

The ratio shows an increase as the interest paid on external loans increased with 3,1% (group = 0,2%) and the cash generated from operations increased with 40,9% (group = 36,1%) since 2006/07.

4.2.5.8 Capital charges (interest and redemption) to total annual operating revenue

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
Total operating revenue	10 120 794	10 402 043	8 601 482	8 790 719
Interest paid on external loans	362 150	431 882	351 219	430 866
Depreciation	542 316	581 372	628 929	668 720
	904 466	1 013 254	980 148	1 099 586
Ratio	8,94%	9,74%	11,40%	12,50%

4.2.5.9 Debt to cash ratio

This ratio is a yardstick to measure the time (in years) that it will take a local authority to pay off its debt (loans) from cash generated by operating activities. The ratio for the past two financial years is as follows:

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
Long-term debt	3 139 741	3 686 834	3 039 423	3 591 841
Cash generated from operations	1 593 885	1 611 774	1 130 748	1 184 648
Ratio	1,97:1	2,29:1	2,69:1	3,03:1

The ratio shows a decrease, as the long-term debt increased with 3,3% (group = 2,6%) while the cash generated from operations increased with 40,9% (group = 36,1%) since 2006/07.

4.2.5.10 Financing to capital expenditure ratio

Local authorities normally finance their capital expenditure from external loans. The financing to capital expenditure ratio enables the user to analyse the extent to which external loans are used to finance capital expenditure. The ratio for the past two financial years is as shown in the table below:

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
Increase/(Decrease) in long-term loans	43 749	14 176	636 453	631 346
Increase/(Decrease) in finance lease liabilities	56 569	82 895	204 827	204 827
	100 318	97 071	841 280	836 173
Cash used in capital expenditure	1 929 741	1 939 749	1 609 973	1 617 886
Ratio	0,05:1	0,05:1	0,52:1	0,51:1

A ratio smaller than 1:1 is an indication that more cash was spent on infrastructure (capital expenditure) than was borrowed. If this ratio exceeded 1:1 over several years, it indicates that too much funding is obtained externally which may even mean that loans are used to finance operating expenditure. This ratio decreased drastically since 2006/07 (also refer to note 31 to the Consolidated Annual Financial Statements).

4.2.5.11 Repairs and maintenance to annual operating revenue

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group R'000
Annual operating revenue	10 120 794	10 402 043	8 601 482	8 790 719
Repairs and maintenance	894 629	897 807	727 352	731 220
Percentage	8,84%	8,63%	8,46%	8,32%

4.2.5.12 Net debtors to total annual operating revenue

Description	2007/08		2006/07	
	Parent R'000	Group R'000	Parent R'000	Group
Annual operating revenue	10 120 794	10 402 043	8 601 482	8 790 719
Net debtors (excluding provision for bad debt)	2 629 953	2 664 115	2 479 056	2 503 499
Percentage	25,99%	25,61%	28,82%	28,48%

4.2.6 Credit Rating

The firm Global Credit Ratings performed a credit rating of the Municipality during November 2007 (based on the annual financial statements for the year ending 30 June 2007) and the following rating was awarded to the City of Tshwane (stable rating outlook):

- Long term - A+ (single A plus): High credit quality. Protection factors are good. However, risk factors are more variable and greater in periods of economic stress.
- Short term - A1 (single A one): High certainty of timely payment. Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are minor.

4.2.7 Municipal Entities

4.2.7.1 Viable municipal entities

Of the entities evaluated the following were found to be viable and their restructuring in compliance with the Municipal Finance Management Act and the Local Government Systems Act is underway:

- Civirelo Water
- Sandspruit Works Association
- Housing Company Tshwane
- Roodeplaat Temba Water Services Trust (the trust will be dissolved on 1 July 2008)
- Tshwane Economic Development Agency (newly created – not in full operation yet)

4.2.7.2 Entities not viable and to be liquidated

The following companies are not viable:

- Enterprise South Africa (liquidation finalised)
- Tradepoint Pretoria
- Tshwane Centre for Business Information and Support (Cenbis)
- Lebone Municipal Finance Corporation

4.2.7.3 Consolidation of municipal entities

Consistent with the previous three financial years, separate consolidated financial statements were compiled for the City of Tshwane and its operational municipal entities, namely:

- Housing Company Tshwane
- Sandspruit Works Association
- Civirelo Water
- Roodeplaat/Temba Water Services Trust
- Tradepoint Pretoria (not viable – liquidation underway – no statements available for 2007/08)

4.2.8 Challenges Experienced During 2007/08 (by the Municipality)

4.2.8.1 Implementation of Accounting Standards

The City of Tshwane experienced problems with the implementation of certain accounting standards during the compilation of the 2006/07 financial statements and therefore had to make use of the exemptions granted by National Treasury in Government Gazette 30013 of 29 June 2007.

These exemptions are explained in paragraph 1 of the Accounting Policies included in the Annual Financial Statements.

As required by the stipulations of the Government Gazette, implementation plans were drawn up and submitted to National Treasury during October 2007 and March 2008.

4.2.8.2 Purification of Asset Register and establishment of Finance Lease Register

A project was undertaken to ensure a compliant asset register and purify the asset register data. The purification for the 2006/07 and 2007/08 financial years has been finalised and the compliant asset register is available on an external system, as the current SAP system could not accommodate all the required fields and transactions. The required restatements were included in the annual financial statements.

The project was extended to include the accounting for finance leases. The accounting for the finance leases was done on the 80/20 principle. The required restatements were included in the annual financial statements.

The 2007/08 exercise was a challenge, but the 2008/09 exercise will be an even bigger challenge, as the information on the asset register in the external systems will have to be loaded and maintained on the SAP system. The maintenance of the lease register will also have to be addressed as a matter of urgency.

4.2.9 Appreciation

I am grateful to the Executive Mayor, Members of the Mayoral Committee, Councillors, Office of the Municipal Manager and Strategic Executive Directors for the support they have given me and my personnel during the 2007/08 financial year. A special word of appreciation to everybody for the months of hard work, sacrifices and concentrated efforts during the financial year to enable my Department to finalise and submit the annual financial statements within the prescribed period of two months after year end (ie 31 August) as well as the consolidated annual financial statements within the prescribed period of three months after year end (ie 30 September).

N V Makhari

Chief Financial Officer

» 4.3 ACCOUNTING POLICIES

1 Basis of Presentation

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless otherwise stated.

These financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005. These standards are summarised as follows:

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GAMAP 4	Effects of changes in foreign exchange rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for investments in associates
GAMAP 8	Financial reporting of interests in joint ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, plant and equipment
GAMAP 19	Provisions, contingent liabilities and contingent assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP), including any interpretations of such statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 522 of 2007, exempted compliance with certain of the above standards and aspects or parts of these standards. Details of the exemptions applicable to the Municipality have been provided in the notes to the annual financial statements (also refer to the relevant paragraph in the accounting policies).

The entity has elected to early adopt the following requirements in GRAP, GAMAP or SA GAAP, which were exempted in terms of General Notice 552 of 2007:

Standard no	Standard title	Extent of exemption from standard	Exemption period
GAMAP 17	Property, plant and equipment (PPE)	Review of useful life of items of PPE recognised in the annual financial statements [paragraphs 59-61 and 77]	For the 2006/07 and 2007/08 financial years
		Review of depreciation method applied to PPE recognised in the annual financial statements [paragraphs 62 and 77]	
		The entire standard to the extent that it relates to water stock that was not purchased by the Municipality	For the 2006/07 and 2007/08 financial years
IAS 17 (AC 105)	Leases	Recognising operating lease payments/receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement. [SAICA circular 12/06, paragraphs 8-11 and paragraphs 33, 34, 50, 51 of IAS 17 (AC 105)]	For the 2006/07 and 2007/08 financial years
GAMAP 9	Revenue	Initial measurement of fair value discounting all future receipts using an imputed rate of interest (SAICA circular 09/06, paragraph 12)	For the 2006/07 and 2007/08 financial years
IAS 39 (AC 133)	Financial instruments: Recognition and measurement	Initially measuring financial assets and financial liabilities at fair value (SAICA circular 09/06, paragraph 43, AG 70, AG 64 and AG 85 of IAS 39/AC 133)	For the 2006/07 and 2007/08 financial years
IAS 20 (AC 134)	Accounting for government grants and disclosure of government assistance	Entire standard excluding paragraph 24 and 26, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9	For the 2006/07 and 2007/08 financial years

The principal accounting policies adopted in the preparation of these annual financial statements and which have been consistently applied, except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a standard of GAMAP or GRAP.

2 Basis of Consolidation

Investments in associates, subsidiaries and joint ventures are carried at cost in the annual financial statements of the Municipality. Separate consolidated financial statements are prepared to account for the Municipality's share of the net assets and post-acquisition results of these investments.

The consolidated annual financial statements incorporate the financial statements of the Municipality and municipal entities controlled by the Municipality.

The results of municipal entities acquired or disposed during the year are included in the consolidated Statement of Financial Performance from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the annual financial statements of municipal entities to bring the accounting policies used into line with those used by the Municipality and other municipal entities included in the group.

2.1 Presentation Currency

These annual financial statements are presented in South African rand and are rounded to the nearest rand.

2.2 Going Concern Assumption

These annual financial statements have been prepared on a going concern basis, except for those municipal entities which are currently being liquidated.

2.3 Property, Plant and Equipment (PPE)

2.3.1 Fixed assets are stated –

- at historical cost less accumulated depreciation and any write-downs, or
- at fair value (market value) at date of acquisition less accumulated depreciation where assets have been acquired by grant or donation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential over the total life of the asset in excess of the most recently assessed standard of performance of the existing asset will flow to the Municipality.

All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

The cost of an item of property, plant and equipment acquired in exchange for a monetary or non-monetary asset, or a combination of monetary and non-monetary assets, is measured at its

fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

The difference between the depreciation based on the revalued carrying amount of the asset charged to the Statement of Financial Performance and the depreciation based on the asset's original cost is transferred from other reserves to the accumulated surplus/deficit.

2.3.2 Depreciation

Depreciation is recognised on a straight line basis over the estimated useful life of the asset to its residual value from the day that the asset is ready for use. Land is not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Estimated useful lives of assets:

Asset category	Years	Asset category	Years
Infrastructure		Other	
Roads and paving	30	Buildings	30
Pedestrian malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	15
Community		Bins and containers	5
Buildings	30	Bins and containers	5
Recreational facilities	20-30	Other plant and equipment	2-5
Security	5	Landfill sites and quarries	1 – 50

Residual value is what the asset would currently receive if in the condition it would be at the end of its useful life. The asset's residual value and useful life are reviewed, and adjusted if appropriate, at each reporting date.

The actual useful life of assets, residual values and the depreciation method are assessed annually and may vary depending on a number of factors.

In reassessing an asset life, factors such as technological innovation, product life cycle and maintenance programme are taken into account.

3 Impairment of property, plant and equipment

The City of Tshwane adopted the exemptions granted in Government Gazette 30013 of 29 June 2007 with regard to the impairment of assets.

4 Disposal of property, plant and equipment

The gain or loss on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value of the asset on the date of disposal, and is recognised in the Statement of Financial Performance.

5 Heritage assets

These are assets that are defined as culturally significant resources and are not depreciated, as they are regarded as having an infinite useful life. However, if improvements to heritage assets are conducted and registered as subassets and the useful life of the improvements can be determined, the depreciation charge of the relevant property, plant and equipment category is used for the depreciation of the subasset which was capitalised against the heritage asset.

6 Land

Land is not depreciated as it is deemed to have an indefinite useful life.

7 Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

8 Investment Property

Investment property, which is property held to earn rental revenue or for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is 30 years.

The City of Tshwane adopted the exemptions granted in Government Gazette 30013 of 29 June 2007 to the extent that the property is accounted for under GAMAP 17.

9 Intangible Assets

The City of Tshwane adopted the exemptions granted in Government Gazette 30013 of 29 June

2007 with regard to the recognition, measurement and disclosure of intangible assets except for computer software.

Intangible assets are carried at cost less accumulated amortisation and any impairment losses. Software is amortised on a straight-line basis over its anticipated useful life.

Generally, costs associated with developing computer software programmes are recognised as an expense as incurred. However, costs that are clearly associated with an identifiable and unique product, which will be controlled by the Municipality and have a probable benefit exceeding the cost beyond one year, are recognised as intangible assets.

Expenditure which enhances and extends the benefits of computer software programmes beyond the original life of the software is capitalised. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives. Costs associated with the maintenance of existing computer software programmes are expensed as incurred.

10 Agricultural/Biological Assets

Agricultural/biological assets, which are defined as living animals or plants, are recognised on the Statement of Financial Position of the Municipality, if the Municipality –

- controls the asset as a result of a past event;
- regards the inflow of future economic benefits from the use of the asset to be probable; and
- is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Agricultural/biological assets are stated at fair value less estimated point of sale costs with any resultant gain or loss recognised in the Statement of Financial Performance.

11 Inventory

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Consumable stores, raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Land held for development, including land in the process of development until legal completion of the sale of the asset, is initially recorded at cost.

Where, through deferred purchase credit terms, cost differs from the nominal amount which will actually be paid in settling the deferred purchase terms liability, no adjustment is made to the cost of the land, the difference being charged as a finance cost.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs, if this relates to development.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable value. Consumables are written down with regard to their age, condition and utility.

The City of Tshwane adopted the exemptions granted in Government Gazette 30013 of 29 June 2007.

12 Reserves

The Municipality creates and maintains reserves in terms of specific requirements.

12.1 Capital Replacement Reserve (CRR)

To finance the provision of infrastructure and other items of property, plant and equipment, amounts are transferred from the Statement of Financial Performance to the Capital Replacement Reserve in terms of the implementation guidelines for GAMAP/GRAP.

These transfers from the net surplus may only be made if they are backed by cash. The amount transferred to the CRR is based on the Municipality's need to finance future capital projects included in the Integrated Development Plan. The following provisions are set for the creation and utilisation of the CRR:

- The cash which backs up the CRR is invested until it is used. The cash may only be invested in accordance with the investment policy of the Municipality.
- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.
- The CRR may only be used for the purpose of purchasing items of property, plant and equipment for the Municipality and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset purchased is transferred from the CRR into a future depreciation reserve called the Capi-

talisation Reserve (CR). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the CRR. The Capitalisation Reserve is used to offset depreciation charged on assets purchased out of the CRR to avoid double taxation of the consumers.

- If a gain is made on the sale of assets previously purchased out of the CRR, the gain on these assets sold is reflected in the Statement of Financial Performance.

12.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various provincial ordinances applicable at the time, which had historically been used for the acquisition of items of property, plant and equipment, have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury.

The purpose of the Capitalisation Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

12.3 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grant Reserve equal to the government grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit)

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant-funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

12.4 Self-insurance Reserve

A Self-insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

- Contributions to and from the reserve are transferred via the Statement of Changes in Net Assets to the reserve in line with the amount provided for in the operating budget.
- The total amount of insurance premiums paid to external insurers is regarded as an expense and must be shown as such in the Statement of Financial Performance. The premiums do not affect the Self-insurance Reserve.
- Claims received from external insurers are used in the calculation of a profit or loss on the scrapping of damaged assets and are therefore effectively recorded in the Statement of Financial Performance.
- Claims received to meet repairs of damages on assets are reflected as income in the Statement of Financial Performance.

The Self-insurance Reserve is based on recognised insurance industry principles. In determining the level of capacity required an agreed methodology has been adopted. The calculation of the required capacity of the Self-insurance Reserve is consistently applied annually based on the following methodology:

- Determination of the forecast surplus (free) capacity within the Self-insurance Reserve
- The following liabilities are taken into account in determining this surplus capacity:
 - Reported known outstanding claims
 - Statistically forecast losses for the remainder of the underwriting period (IBNR = claims incurred but not yet reported)
 - Probability and quantification of a catastrophe loss
- Comparison of the surplus (free) capacity to the declared value of the highest service delivery asset to determine the shortfall that exists, based on the assumption that sufficient capacity will be built up to cover that asset through the Self-insurance Reserve over an agreed period of time
- Spreading of the shortfall over a five-year period (in terms of the Long-term Insurance Strategy)
- Adjustment for inflation with the agreed relevant indices
- Determination of the annual premium contribution to reach the target capacity over a five-year period
- Application of a probability and affordability factor to the ideal premium contribution to determine the budgeted premium contribution over a five-year period

12.5 Self-insurance Future Depreciation Reserve

An amount equal to the carrying value of items of property, plant and equipment that had historically been used for the acquisition of property, plant and equipment from the Self-insurance Reserve has been transferred to a Self-insurance Future Depreciation Reserve instead of the accumulated surplus/(deficit).

The purpose of this reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

The balance on the Self-insurance Future Depreciation Reserve equals the carrying value of the items of property, plant and equipment financed from the former Self-insurance Reserve. When items of property, plant and equipment are depreciated, a transfer is made from the Self-insurance Future Depreciation Reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment is disposed, the balance in the Self-insurance Future Depreciation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

13 COID Reserve

The Municipality has been exempted from making contributions to the Compensation Commissioner for Occupational Injuries and Diseases (COID). In terms of this exemption the Municipality has established a COID Reserve to offset claims from employees.

Amounts are transferred to the COID Reserve from the accumulated surplus based on the statutory rate of contributions set out in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993) as well as additional amounts deemed necessary to ensure that the balance of the reserve is adequate to offset potential claims.

Contributions to the COID Reserve are based on 1% of the annual remuneration of employees who qualify for COID benefits. All employees earning more than R189 840 per year are reinsured by what is called a "COID Wrap-around Policy".

Claims are paid as determined by the Compensation Commissioner and are reflected in the Statement of Financial Performance. Claims are settled by transferring a corresponding amount from the COID Reserve to the accumulated surplus in the Statement of Changes in Net Assets.

14 Donations and public contributions

Revenue received from donations and public contributions may be transferred to the Capital Replacement Reserve (CRR) and used via the CRR to finance items of property, plant and equipment.

15 Capital Reserve account

The Capital Reserve is to be created by the borrower and to be held in the Capital Reserve Account for the repayment of costs of upgrades, etc required by the operating agreement.

16 Debt Service Reserve account

The Debt Service Reserve is to be created by the borrower and to be held in the Debt Service Reserve account. If the required level is exceeded the excess can be deposited in the distribution account. The amount in the account will be used for the repayment of the term loan.

17 Operating Reserve account

The Operating Reserve is to be created by the borrower and to be held in the Debt Service Reserve account for the repayment of operating costs in respect of the water project.

18 Housing Development Fund

Sections 15(5) and 16 of the Housing Act, 1997 (Act 107 of 1997), which came into operation on 1 April 1998, require that the Municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund.

The Housing Act also requires, in terms of section 14(4)(d)(iii)(aa) read with, inter alia, section 16(2), that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be used by the Municipality for housing development subject to the approval of the MEC responsible for housing.

The following provisions are set for the creation and use of the Housing Development Fund:

- The Housing Development Fund has its own separate bank account/allocated investments and is backed by cash.
- Any contributions to or payments from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments backing up this fund is recorded as part of interest earned in the Statement of Financial Performance and can be transferred via the Statement of Changes in Net Assets to the Housing Development Fund.
- Any cash-backed surplus/deficit on the Housing Statement of Financial Performance must be transferred to the Housing Development Fund.

19 Provisions

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are measured at the present value of the expenditures expected to be incurred to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

19.1 Clearing of alien vegetation

In terms of the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983), the provision for the clearing of alien vegetation was established in 2005/06 as a start to address the backlogs that exist.

19.2 Cleaning up of illegal dumping

Currently the Municipality is cleaning up illegal dumping on an ongoing basis as part of maintenance; therefore there is no cleaning backlog that needs to be erased. No provision is currently made for the cleaning up of illegal dumping.

19.3 Landfill sites

The Municipality has an obligation to rehabilitate its landfill sites in terms of its licence stipulations. A provision has been established in 2007/08. The amount of the provision is recognised at the present value of the expenditure expected to be required to settle the obligation, and is carried at amortised cost.

19.4 Quarries

In terms of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002), section 52 (2)(d), the City of Tshwane is required to rehabilitate its quarries and borrow pits after these quarries and pits have been closed. The amount of the provision is recognised at the

present value of the expenditure expected to be required to settle the obligation, and is carried at amortised cost.

20 Retirement Benefits

20.1 Pension, provident and retirement funds

The Municipality and its employees contribute to various pension, provident and retirement funds and its councillors contribute to the Pension Fund for Municipal Councillors.

The retirement benefits are calculated in accordance with the rules of the funds. Full actuarial valuations are performed by the relevant funds on a regular basis. The City of Tshwane accounted for pension funds in terms of the exemptions granted in Government Gazette 30013 of 29 June 2007, in which no provision was created but only the contributions disclosed.

Current contributions are charged against the operating account of the Municipality at a percentage of the basic salary paid to employees, or allowances in the case of councillors.

Pension contributions in respect of employees who are not members of a pension fund are recognised as an expense when incurred.

A provision is raised as the best estimate of the current cost of paying future pensions to employees who have become disabled as a result of injuries sustained while on duty.

20.2 Medical Aid: Continued members

The Municipality provides certain post-retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds with which the Municipality is associated, a member (who is on the current conditions of service) who is on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The City of Tshwane accounted for medical aid in terms of the exemptions granted in Government Gazette 30013 of 29 June 2007, in which no provision was created but only the contributions disclosed.

21 Leases

The City of Tshwane adopted the exemptions granted in Government Gazette 30013 of 29 June 2007 with regard to operating leases.

21.1 The Municipality as lessee

The City of Tshwane leases certain property, plant and equipment. Leases of property, plant and equipment where the City of Tshwane assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance lease assets and liabilities are recognised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the future minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables.

The interest element of the finance cost is charged to the Statement of Financial Performance over the lease period so as to produce a constant periodic rate of interest on the remaining balances of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases are those leases which do not fall within the scope of the above definition. Payments made under operating leases are charged against income on a straight-line basis over the period of the lease.

The Municipality will not incur a foreign currency lease liability other than that allowed by the Municipal Finance Management Act, 2003 (Act 56 of 2003).

21.2 The Municipality as lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

When assets are leased out under an operating lease, the asset is included in the Statement of Financial Position based on the nature of the asset.

22 Financial Instruments

The City of Tshwane adopted the exemptions granted in Government Gazette 30013 of 29 June 2007 with regard to IFRS 5 and IFRS 7.

22.1 Financial assets

The City of Tshwane classifies its financial assets in the following categories:

- Loans and receivables
- Held to maturity
- Available for sale

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. With regard to reclassifications of financial assets, the entity shall not reclassify a financial instrument into or out of the fair value through profit or loss category while it is held or issued.

(a) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The City of Tshwane's loans and receivables comprise "trade receivables and other receivables" and cash and cash equivalents.

(b) *Held-to-maturity investments*

Held-to-maturity (HTM) investments are financial assets with fixed or determinable payments and fixed maturity where the entity has the positive intent and ability to hold the investment to maturity. These investments have been normally encumbered and therefore must be held to maturity. The value of the investments is recorded at trade date.

HTM financial instruments created by the Municipality and not held for trading are recognised at amortised cost using the effective interest rate method. Amortised cost is the amount at which the financial asset was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount and minus any write-down for impairment of uncollectability.

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the financial asset within 12 months of the reporting date.

Regular purchase and sales of financial assets are recognised on the trade date – the date on which the City of Tshwane commits to purchasing or selling the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at

fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Financial Performance.

Offsetting of financial assets and liabilities

A financial asset and a financial liability are only offset and the net amount presented in the Statement of Financial Performance when and only when –

- (a) the City of Tshwane has a legally enforceable right to set off the recognised amount; and
- (b) the City of Tshwane intends either to settle on a net basis, or realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the City of Tshwane will not offset the transferred asset and the associated liability.

Derecognition

Financial assets are derecognised when the right to receive cash flows from the investments has expired or has been transferred, and the Municipality has transferred virtually all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Impairment

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified. Impairment losses recognised in the Statement of Financial Performance on equity instruments are not reversed through the Statement of Financial Performance. Impairment testing of trade receivables is described in note 15.3.

Disposal

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Counterparty exposure

The City of Tshwane limits its counterparty exposure arising from the money market by dealing only with well-established financial institutions confirmed by the rating agency appointed by the Chief Financial Officer.

The credit ratings of these institutions are reviewed quarterly and investments are spread across different types of approved investments and institutions.

Hedging

Hedging is not applicable to the accounting treatment of financial instruments in the City of Tshwane.

Derivative financial instruments

Derivative financial instruments, principally interest rate swap contracts, are used by the City of Tshwane in its management of financial risks. Derivative financial instruments are initially measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates. Payments and receipts under interest rate swap contracts are recognised in the Statement of Financial Performance on a basis consistent with the corresponding fluctuations in the interest payment on floating rate financial liabilities. The carrying amounts of interest rate swaps, which comprise net interest receivables and payables accrued, are included in assets and liabilities respectively.

22.2 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, net of transaction costs incurred. It should also be added that interest-bearing borrowings are classified as non-current and current liabilities.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Financial Performance over the period of the borrowings using the effective interest method.

Interest-bearing borrowings are classified as non-current and current liabilities unless the Municipality has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The interest risk is managed by maintaining an appropriate mix between fixed and variable rate borrowings. The Municipality borrows more than 50% of funds at a fixed rate to reduce the risk of interest fluctuations.

22.3 Accounts receivable

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Municipality will not be able to collect all due amounts according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision for bad debt account, and the amount of the loss is recognised in the Statement of Financial Performance. When a trade receivable is uncollectable, it is written off against the provision for bad debt account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Statement of Financial Performance.

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified. Amounts with regard to arrangement of consumer debtors are classified as long-term receivables.

22.3.1 Provision for bad debt

Provision for bad debt is made by means of an annual contribution of electricity and water levies, debtor's revenue from Fire Brigade Services, Ambulance Services and Rentals, but excluding the Tshwane Market.

The annual contribution is determined by calculating the estimated non-payment by debtors for the financial year. The percentage contribution is calculated during the budget process each year and reviewed at year end.

23 Accounts receivable

23.1 Trade creditors

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

23.2 Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the potential liability (value of leave credits as at 30 June) of the Municipality.

24 Investment in municipal entities

Municipality:	Investments in municipal entities under the ownership control of the Municipality are carried at cost in the Municipality's unconsolidated annual financial statements.
Group:	<p>The results and assets and liabilities of municipal entities are incorporated with the group annual financial statements using the equity method of accounting.</p> <p>Where the Municipality transacts with its municipal entities or its municipal entities transact with each other, unrealised gains and losses are eliminated to the extent of the Municipality's interest in the relevant municipal entity, except where unrealised losses provide evidence of an impairment of the asset transferred.</p> <p>Where the Municipality is no longer able to exercise control over the municipal entity, the equity method of accounting is discontinued. Such entity will either be accounted for as an associate, if the Municipality is able to exercise significant influence, or an investment. The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.</p>

25 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities with three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Finance charges on bank overdrafts are expensed as incurred.

26 Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Trade creditors denominated in foreign currency are reported at the Statement of Financial Position date by using the exchange rate at that date. Exchange differences arising from the settlement of creditors or from reporting of creditors at rates different from those at which they were initially recorded during the period are recognised as revenue or as expenses in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used. The Municipality will not incur a foreign currency liability other than that allowed by the Municipal Finance Management Act, 2003 (Act 56 of 2003).

27 Revenue Recognition

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the Municipality and these benefits can be measured reliably.

The percentage-of-completion method is used to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

The City of Tshwane adopted the exemptions granted in Government Gazette 30013 of 29 June 2007 with regard to the initial measurement of fair value at a discounted rate.

27.1 Revenue from exchange transactions

27.1.1 Service charges relating to electricity, water and sanitation

Service charges relating to electricity, water and sanitation are based on consumption. Meters are read and billed on a monthly basis and revenue is recognised when invoiced. Estimates of consumption are made monthly when meter readings have not been performed.

The estimates of consumption are recognised as revenue when invoiced. Adjustments to estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period.

27.1.2 Services provided on a prepayment basis

Various services are provided on a prepayment basis, in which case no formal billing takes place and income is accrued when received. Revenue is recognised at point of sale.

27.1.3 Interest earned on outstanding debtors

Interest on outstanding debtors is recognised on a time-proportionate basis.

27.1.4 Income from agency service

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income is recognised in terms of the agency agreement.

27.1.5 Housing rental and instalments

Income in respect of housing rental and instalments is accrued monthly in advance. Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time-proportionate basis.

27.1.6 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

27.1.7 Interest earned on investments

Interest earned on investments is recognised on a time-proportionate basis that takes into account the effective yield on the investment.

27.1.8 Collection charges

Collection charges are recognised when such amounts are incurred.

27.2 Revenue from non-exchange transactions

27.2.1 Revenue from rates

Revenue from rates is recognised when the legal entitlement to this revenue arises. A site-rating system is applied. In terms of this system, assessment rates are levied on the land value of property and rebates are granted subject to certain conditions. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers.

27.2.2 Regional Establishment Levy and Regional Services Levy

Revenue from Regional Services Levies is recognised on an accrual basis. The accrual is calculated on past experience of amounts collected since the abolishment of Regional Services Levies and Regional Establishment Levies on 1 July 2006.

27.2.3 Fines

Revenue from the issuing of fines shall be recognised when –

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality;
- (b) the amount of the revenue can be measured reliably; and
- (c) the stage of completion of the transaction at the reporting date can be measured reliably.

Therefore:

- (i) Income in respect of traffic fines, spot fines and certain licences is accrued when received, and
- (ii) Revenue from the issuing of summonses is only recognised when notified by the public prosecutor of the amount actually collected.

The accrual is calculated based on past experience of amounts collected on fines and summonses issued.

27.2.4 Donations and contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

27.2.5 Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act, 2003 (Act 56 of 2003), and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

28 Conditional Grants and Receipts

Revenue received from conditional grants, donations and funding is recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. A liability is recognised when the criteria, conditions or obligations have not been met. The City of Tshwane adopted the exemption granted in Government Gazette 30013 of 29 June 2007.

29 Borrowing Costs

Borrowing costs are recognised as an expense in the Statement of Financial Performance, except for the Roodeplaat Temba Water Services Trust where the borrowing costs are capitalised.

30 Value-Added Tax

The Municipality accounts for value-added tax on the cash basis.

31 Segmental Information

The City of Tshwane adopted the exemptions granted in Government Gazette 30013 of 29 June 2007.

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Annexures C and D consistent with previous years.

The principal segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditure.

The primary basis is representative of the internal structure for both budgeting and management purposes. The secondary basis classifies all operations based on the classification of income and expenditure

32 Grants-In-Aid (EXPENSE)

The Municipality annually awards grants to individuals and organisations based on merit. When making these transfers, the Municipality does not –

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

33 Unauthorised Expenditure

Unauthorised expenditure is –

- expenditure that has not been budgeted;
- expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state; and
- expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act, 2003 (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

34 Irregular Expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act 56 of 2003), the Municipal Systems Act, 2000 (Act 32 of 2000), the Public Office Bearers Act, 1993 (Act 20 of 1998) or in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

35 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

36 Comparative Information

36.1 Current year comparatives

Budgeted amounts have been included in the annual financial statements for the current financial year only.

36.2 Previous year comparatives

When the presentation or classification of items in the annual financial statements is amended, previous period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

The comparative figures (2006/07 accounting policy and disclosures) may not be consistent with the current year accounting policies and disclosures due to the application of the exemptions in terms of Government Gazette 30013 of 29 June 2007.

37 Taxation

The City of Tshwane Metropolitan Municipality is exempt from tax in terms of section 10(1)cB(i) (ff) of the Income Tax Act.

38 Estimates

The preparation of financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the City of Tshwane's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements are disclosed in the notes to the financial statements were applicable.

» 4.4 FINANCIAL STATEMENTS

Consolidated Statement of Financial Position as at 30 JUNE 2008

		MUNICIPALITY			
	Note	2008	2007	2008	2007
		R	R	R	R
NET ASSETS AND LIABILITIES					
Net assets		7,904,591,040	7,047,147,850	7,933,662,866	7,116,059,562
Housing Development Fund	1	128,919,887	141,152,353	128,919,887	141,152,353
Capital Replacement Reserve		307,157,479	501,152,806	307,157,479	501,152,806
Capitalisation Reserve		2,114,595,750	2,008,028,104	2,114,595,750	2,008,028,104
Government Grant Reserve		3,795,803,234	3,506,835,333	3,795,803,234	3,509,888,886
Self-insurance Reserve		14,552,843	65,637,380	14,552,843	65,637,380
COVID Reserve		68,873,273	62,694,963	68,873,273	62,694,963
Future Depreciation Reserve: Self-insurance		288,643	332,487	288,643	332,487
Non-Distributable Reserve		0	0	0	0
Donations		0	0	1,200	1,200
Unappropriated surplus		1,474,399,931	761,314,424	1,503,470,557	827,171,383
Non-current liabilities		2,900,147,756	2,714,992,509	3,432,361,668	3,250,458,238
Long-term liabilities	2	2,705,771,524	2,602,026,465	3,211,659,565	3,137,492,194
Finance lease liabilities	3.1	107,164,783	107,702,894	131,412,532	107,702,894
Deferred operating lease liability	3.2	0	0	2,078,122	0
Non-current provisions	4.4	87,211,449	5,263,150	87,211,449	5,263,150
Current liabilities		2,880,839,354	2,722,840,506	3,005,392,920	2,890,829,869
Consumer deposits	6	267,978,963	257,579,090	269,510,010	257,579,090
Creditors	7	1,740,375,706	1,820,360,314	1,831,764,930	1,966,023,163
Unspent conditional grants and receipts	8	334,892,132	210,990,931	339,175,084	210,990,931
VAT	9	104,380,809	58,214,444	113,720,301	61,270,221
Bank overdraft	18	106,407,370	46,002,138	106,678,519	46,002,138
Provisions	5	0	0	782,275	2,318,467
Current portion of long-term liabilities	2	172,572,966	232,569,002	189,530,393	249,521,272
Current portion of finance lease liabilities	3.1	154,231,408	97,124,587	154,231,408	97,124,587
Total: Net assets and liabilities		13,685,578,150	12,484,980,865	14,371,417,454	13,257,347,669
ASSETS					
Non-current assets		10,457,274,114	9,184,116,909	10,884,010,197	9,640,227,058
Fixed assets		9,575,902,472	8,242,557,019	9,982,017,021	8,675,496,151
Property, plant and equipment	10.9	9,467,414,348	8,135,246,469	9,863,525,657	8,560,694,944
Investment property	10.10	10,453,152	11,950,766	20,453,152	19,441,423
Intangible assets	10.11	98,034,972	95,359,784	98,038,212	95,359,784
Leased assets	10.13	251,314,511	197,234,792	265,078,327	212,108,488
Biological assets: Livestock	11	14,741,255	11,014,558	14,741,255	11,014,558
Investments	12.1	425,553,069	411,283,908	432,410,787	418,075,178
Long-term receivables	13	189,762,807	322,026,632	189,762,807	323,532,683
Current assets		3,228,304,036	3,300,863,956	3,487,407,257	3,617,120,611
Inventory	14	216,602,417	165,944,194	232,918,710	209,737,781
Consumer debtors	15	2,393,172,131	2,044,386,698	2,401,319,812	2,047,011,821
Other debtors	16	236,781,016	434,668,931	262,795,274	456,486,840
Current portion of long-term receivables	13	103,377,148	27,840,367	103,377,148	27,840,367
Call investment deposits	12.2	235,135,631	558,674,497	272,462,172	614,937,475
Bank balances and cash	18	43,235,693	69,349,269	214,534,141	261,106,327
Total: Assets		13,685,578,150	12,484,980,865	14,371,417,454	13,257,347,669

Consolidated Statement of Financial Performance

		MUNICIPALITY							
	Note	2008		2007		2008		2007	
		Actual	Adjustment budget	Actual	Adjustment budget	Actual	Adjustment budget	Actual	Adjustment Budget
		R	R	R	R	R	R	R	R
REVENUE									
Property rates	19	2,181,017,691	2,007,541,000	1,719,224,465	1,735,113,478	2,180,952,393	2,007,541,000	1,719,158,593	1,735,113,478
Service charges	20	4,838,958,770	4,769,479,797	4,211,357,728	4,246,657,264	4,925,025,127	4,769,479,797	4,282,086,701	4,246,657,264
Regional Services Levies – turnover		0	20,000,000	0	16,000,000	0	20,000,000	(38,135)	16,000,000
Regional Services Levies – remuneration		0	0	0	0	0	0	0	0
Rental of facilities and equipment		84,317,308	74,495,934	70,027,787	56,193,546	90,860,818	74,495,934	84,451,009	56,193,546
Interest earned – external investments		135,554,608	113,303,229	134,186,955	47,942,050	158,014,824	113,303,229	154,277,171	47,942,050
Interest earned – outstanding debtors		179,065,234	160,432,604	142,516,022	137,007,800	194,352,139	160,432,604	155,842,736	137,007,800
Fines (traffic fines)		38,302,819	49,433,869	38,389,834	42,742,689	38,302,819	49,433,869	38,389,834	42,742,689
Licences and permits		29,498,520	23,049,903	21,816,684	34,297,845	29,498,520	23,049,903	21,816,684	34,297,845
Government grants and subsidies	21	1,917,227,861	2,201,857,795	1,566,093,641	1,749,343,822	1,919,501,081	2,201,857,795	1,541,794,233	1,749,343,822
Other income	22	542,818,099	619,483,107	510,831,552	457,747,540	691,502,194	619,483,107	605,903,099	457,747,540
Public contributions		165,369,329	155,000,000	165,566,509	50,012,825	165,369,329	155,000,000	165,566,509	50,012,825
Gains on disposal of property, plant and equipment		4,936,900	40,352,144	20,915,400	14,500,000	4,936,900	40,352,144	20,915,400	14,500,000
Gain: Changes in fair value of livestock	11	3,726,697	0	555,578	0	3,726,697	0	555,578	0
TOTAL: REVENUE		10,120,793,836	10,234,429,382	8,601,482,155	8,587,558,859	10,402,042,841	10,234,429,382	8,790,719,412	8,587,558,859

MUNICIPALITY									
	Note	2008		2007		2008		2007	
		Actual	Adjustment budget	Actual	Adjustment budget	Actual	Adjustment budget	Actual	Adjustment Budget
		R	R	R	R	R	R	R	R
EXPENDITURE									
Employee-related costs	23	2,621,002,843	2,729,726,831	2,412,004,372	2,551,422,155	2,665,393,656	2,729,726,831	2,445,747,160	2,551,422,155
Remuneration of councillors	24	44,201,359	47,914,093	45,946,048	46,762,692	44,201,359	47,914,093	45,946,048	46,762,692
Bad debts: Contribution		179,914,390	19,920,755	106,752,294	106,649,267	230,254,392	19,920,755	114,705,781	106,649,267
Bad debts: Written off - consumer and sundry debtors		100,732,978	109,100,000	86,736,741	0	100,732,978	109,100,000	86,736,741	0
Collection costs		72,224,153	63,178,651	49,538,121	50,669,138	72,224,153	63,178,651	49,538,121	50,669,138
Depreciation		542,316,164	728,387,673	628,929,878	592,729,286	581,372,889	728,387,673	668,719,807	592,729,286
Interest paid	25	362,149,670	382,138,723	351,218,853	345,899,657	431,881,950	382,138,723	424,856,905	345,899,657
Bulk purchases	26	2,206,818,210	2,232,955,941	2,130,979,261	1,989,821,178	2,214,193,693	2,232,955,941	2,136,832,836	1,989,821,178
Repairs and maintenance	43	894,628,918	749,310,022	727,352,320	674,906,579	897,807,296	749,310,022	731,219,500	674,906,579
Grants and subsidies paid	27	11,584,679	12,285,250	8,392,257	11,634,800	11,584,679	12,285,250	8,392,257	11,634,800
Loss on disposal of property, plant and equipment		23,423,391	9,900	9,915,217	5,525,863	23,423,391	9,900	9,917,937	5,525,863
General expenses	28	2,204,353,890	2,263,439,651	1,730,792,294	2,010,014,816	2,315,145,666	2,010,014,816	1,824,966,065	1,829,805,777
TOTAL: EXPENDITURE		9,263,350,645	9,338,367,490	8,288,557,656	8,386,035,431	9,588,216,102	9,084,942,655	8,547,579,158	8,205,826,392
Net surplus for the year		857,443,191	896,061,892	312,924,499	201,523,428	813,826,739	1,149,486,727	243,140,254	381,732,467
Refer to Annexure E for the comparison with the approved budget.									

Statement of Changes in Net Assets for the year ended June 2008: Municipality

	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	COVID Reserve	Self-insurance Reserve	Self-insurance: FDR	Accumulated surplus/(deficit)	Total
	R	R	R	R	R	R	R	R	R
2007									
Balance at 1 July 2006	150,463,875	357,857,950	2,177,575,289	3,348,292,166	70,050,967	128,555,010	376,331	524,027,798	6,757,199,386
Net surplus for the year								316,319,629	316,319,629
Previous year adjustments (see note 42)								(26,371,166)	
Asset purification/retirements			(6,162,391)	(20,056,037)				26,218,428	0
Property, plant and equipment purchased: Capitalised		(94,508,184)	94,508,184						0
Capital grants used to purchase PPE (revenue recognised)				317,833,940				(317,833,940)	0
Contribution: Workmen's compensation (from employees)					(7,356,004)			7,356,004	0
Transfer from Housing Development Fund	(9,311,522)							9,311,522	0
Transfer from Insurance Reserve						(62,917,630)		62,917,630	0
Transfer to Capital Replacement Reserve (Tshwane Market)		28,367,158						(28,367,158)	0
Transfer to Capital Replacement Reserve: General		209,435,882						(209,435,882)	0
Offsetting of depreciation			(257,892,978)	(139,234,736)		0	(43,844)	397,171,558	0
Balance at 30 June 2007	141,152,353	501,152,806	2,008,028,104	3,506,835,333	62,694,963	65,637,380	332,487	761,314,423	7,047,147,849

	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	COVID Reserve	Self-insurance Reserve	Self-insurance: FDR	Accumulated surplus/(deficit)	Total
	R	R	R	R	R	R	R	R	R
2008									
Net surplus for the year								857,443,191	857,443,191
Asset purification/retirements			(18,593,963)	(85,335,055)			0	103,929,018	0
Property, plant and equipment purchased: Capitalised		(378,715,875)	378,715,875						0
Capital grants used to purchase PPE (revenue recognised)				467,680,281				(467,680,281)	0
Contribution: Workmen's compensation (from employees)					6,178,310			(6,178,310)	0
Transfer from Housing Development Fund	(12,232,466)							12,232,466	0
Transfer from Insurance Reserve						(51,084,537)		51,084,537	0
Transfer to Capital Replacement Reserve (Tshwane Market)		16,219,136						(16,219,136)	0
Transfer to Capital Replacement Reserve (public contributions)		168,501,412						(168,501,412)	0
Offsetting of depreciation			(253,554,266)	(93,377,325)		0	(43,844)	346,975,435	0
Balance at 30 June 2008	128,919,887	307,157,479	2,114,595,750	3,795,803,234	68,873,273	14,552,843	288,643	1,474,399,931	7,904,591,040

The accumulated surplus of R1 474 399 931 is earmarked to be used in 2008/09 for the provision for employee benefits to comply with the accounting standard as prescribed.

Note: Capitalisation Reserve

The handling of the Capitalisation Reserve differs from the guidelines of National Treasury as indicated in the specimen financial statements in the sense that:

- The amount used to finance property, plant and equipment from the Capital Replacement Reserve since the implementation of GAMAP is not transferred to the accumulated surplus but to the Capitalisation Reserve.
- The reasons for this deviation are the following:
- To offset future depreciation charges via a transfer from the reserve to prevent double taxation of ratepayers.
- To prevent distortion of the accumulated surplus which could possibly lead to utilisation other than the offsetting of depreciation.
- An accumulated surplus is not used to finance deficits on future budgets as a result of depreciation charges.
- The financing and offsetting of depreciation of property, plant and equipment financed from the Capital Replacement Reserve should be treated the same as property, plant and equipment financed from the Government Grant Reserve

The effect on the financial statements would be the following if the guidelines of National Treasury were followed:

- Accumulated surplus would increase with R380 171 127 (2006/07 = R 94 508 184 and 2005/06 = R302 183 695 and 2004/05 = R 909 806 168).
- The Capitalisation Reserve would decrease with R380 171 127 (2006/07 = R94 508 184 and 2005/06 = R302 183 695 and 2004/05 = R909 806 168).

Statement of changes in Net Assets: Group

	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	COVID Reserve	Self- in- surance Reserve	Self- in- surance: Future Deprecia- tion Reserve	Rodeeplaat Tembu Water Services Trust: Debt Service Reserve	Rodeeplaat Tembu Water Ser- vices Trust: Statutory Donations Fund	Housing Company Tshwane: Grant Reserve	Accumu- lated surplus/ (deficit)	Total
	R	R	R	R	R	R	R	R	R	R	R	R
2007												
Balance at 1 July 2006	150,463,875	357,857,950	2,177,575,289	3,348,292,166	70,050,967	128,555,010	376,331	13,219,924	1,200	2,952,495	645,623,926	6,894,969,133
Net surplus for the year											246,535,385	246,535,385
Previous year adjustments: Parent (see note 42)											(26,371,166)	(26,371,166)
Correction of previous year accumu- lated surplus: Entities											926,210	926,210
Correction of errors of previous years (audit adjustments – entities)								(13,219,924)		101,058	13,118,866	0
Asset purification/retirements			(6,162,391)	(20,056,037)							26,218,428	0
Property, plant and equipment capitalised		(94,508,184)	94,508,184									0
Capital grants used to purchase PPE (revenue recognised)				317,833,940							(317,833,940)	0
Contribution: Workmen's compensa- tion (from employees)					(7,356,004)						7,356,004	0
Transfer from Housing Development Fund	(9,311,522)										9,311,522	0
Transfer from Insurance Reserve						(62,917,630)					62,917,630	0
Transfer to Capital Replacement Reserve (Tshwane Market)		28,367,158									(28,367,158)	0
Transfer to Capital Replacement Reserve: General		209,435,882									(209,435,882)	0
Offsetting of depreciation			(257,892,978)	(139,234,736)			(43,844)				397,171,558	0
Balance at 30 June 2007	141,152,353	501,152,806	2,008,028,104	3,506,835,333	62,694,963	65,637,380	332,487	0	1,200	3,053,553	827,171,383	7,116,059,562

	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	COVID Reserve	Self-insurance Reserve	Self Insurance: Future Depreciation Reserve	Roodeplaat Temba Water Services Trust: Debt Service Reserve	Roodeplaat Temba Water Services Trust: Statutory Donations Fund	Housing Company Tshwane: Grant Reserve	Accumulated surplus/ (deficit)	Total
Net surplus for the year											813,826,739	813,826,739
Correction of previous year accumulated surplus: Sandspruit (see note 42)											70,076	70,076
Correction of previous year accumulated surplus: Housing Company (see note 42)										(3,053,553)	14,679,980	11,626,427
Correction of previous year accumulated surplus: Roodeplaat Temba (see note 42)											(7,809,766)	(7,809,766)
Correction of previous year accumulated deficit: Civirelo (see note 42)											(110,172)	(110,172)
Asset purification/retirements			(18,593,963)	(85,335,055)							103,929,018	0
Property, plant and equipment capitalised		(378,715,875)	378,715,875								0	0
Capital grants used to purchase PPE (revenue recognised)				467,680,281							(467,680,281)	0
Contribution: Workmen's compensation (from employees)					6,178,310						(6,178,310)	0
Transfer from Housing Development Fund	(12,232,466)										12,232,466	0
Transfer from Insurance Reserve						(51,084,537)					51,084,537	0
Transfer to Capital Replacement Reserve (Tshwane Market)		16,219,136									(16,219,136)	0
Transfer to Capital Replacement Reserve: General		168,501,412									(168,501,412)	0
Offsetting of depreciation			(253,554,266)	(93,377,325)	68,873,273	14,552,843	(43,844)				346,975,435	0
Balance at 30 June 2008	128,919,887	307,157,479	2,114,595,750	3,795,803,234	68,873,273	14,552,843	288,643	0	1,200	0	1,503,470,557	7,933,662,866

Cash Flow Statement

		MUNICIPALITY		GROUP	
	Note	2008	2007	2008	2007
		R	R	R	R

Cash Flow from Operating Activities

Cash receipts from ratepayers, government and other		9,821,550,379	8,224,845,277	10,113,562,700	8,665,483,570
Cash paid to suppliers and employees		(8,227,664,950)	(7,094,097,142)	(8,501,788,219)	(7,480,835,124)
Cash generated from/(used by) operations	29	1,593,885,429	1,130,748,135	1,611,774,481	1,184,648,446
Interest received		135,554,608	134,186,955	158,014,824	154,277,171
Interest paid		(362,149,670)	(351,218,853)	(431,881,950)	(424,856,905)
Net Cash from Operating Activities		1,367,290,367	913,716,237	1,337,907,355	914,068,712

Cash flows from Investing Activities

Purchase of property, plant and equipment		(1,929,741,341)	(1,609,972,661)	(1,939,748,515)	(1,623,895,875)
Gain: Change in fair value of livestock		(3,726,697)	(555,578)	(3,726,697)	(555,578)
Proceeds on disposal of fixed assets		4,936,900	20,915,400	4,936,900	20,915,400
Proceeds on disposal of investments		-	-	-	-
Decrease/(increase) in non-current loans		54,734,651	(40,773,238)	56,240,702	(42,279,289)
Decrease/(increase) in non-current investments		(14,269,160)	71,258,929	(14,335,608)	117,917,651
Net Cash from Investing Activities		(1,888,065,647)	(1,559,127,148)	(1,896,633,218)	(1,527,897,691)

Cash flows from Financing Activities

New loans raised/(repaid)		43,749,023	636,452,546	14,176,492	631,346,357
Lease liabilities		56,568,710	204,827,481	82,894,581	204,827,481
Increase in consumer deposits		10,399,873	21,486,701	11,930,920	21,486,701
Net Cash from Financing Activities		110,717,606	862,766,728	109,001,993	857,660,539
Net Cash Flow		(410,057,674)	217,355,817	(449,723,870)	243,831,560
Net Increase/(Decrease) in Cash and Cash Equivalents		(410,057,674)	217,355,817	(449,723,870)	243,831,560
Cash and cash equivalents at the beginning of the year	30	582,021,628	364,665,811	830,041,664	586,210,104
Cash and cash equivalents at the end of the year	30	171,963,954	582,021,628	380,317,794	830,041,664

CHAPTER FOUR: Financial Statements

Notes to the Consolidated Annual Financial Statements

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
1 Housing Development Fund				
Housing Development Fund	128,919,887	141,152,353	128,919,887	141,152,353
Unappropriated surplus	197,926,350	210,158,816	197,926,350	210,158,816
Loans extinguished by government on 1 April 1998	69,006,463	69,006,463	69,006,463	69,006,463
The Housing Development Fund is represented by the following assets and liabilities:				
Housing selling scheme loans	108,239,423	103,434,420	108,239,423	103,434,420
Other debtors	12,687,578	9,961,181	12,687,578	9,961,181
Bank and cash	7,992,886	27,756,752	7,992,886	27,756,752
Total: Housing Development Fund assets and liabilities	128,919,887	141,152,353	128,919,887	141,152,353
2 Long-Term Liabilities				
Local registered stock	318,161,284	315,714,882	318,161,284	315,714,882
Long-term loans:	2,560,183,206	2,518,880,585	3,083,028,674	3,071,298,584
Annuity loans	2,073,261,434	1,906,549,057	2,073,261,434	1,906,549,057
Term loans	486,921,772	612,331,528	1,009,767,240	1,136,935,795
Capitalised lease liability	0	0	0	27,813,732
	2,878,344,490	2,834,595,467	3,401,189,958	3,387,013,466
Less: Current portion transferred to current liabilities	172,572,966	232,569,002	189,530,393	249,521,272
Local registered stock	42,227,760	0	42,227,760	0
Annuity loans	101,842,510	77,569,002	101,842,510	77,569,002
Term loans	28,502,696	155,000,000	45,460,123	171,952,270
Total: External loans	2,705,771,524	2,602,026,465	3,211,659,565	3,137,492,194
Refer to Annexure A for more detail on long-term liabilities.				
Amount invested specifically for the repayment of long-term liabilities (see note 31 for more detail)	568,644,654	634,478,486	568,644,654	634,478,486
Maturity value of amount invested as security for long-term liabilities	815,559,792	1,201,630,598	815,559,792	1,201,630,598
3 Lease Liabilities				
3.1 Finance lease liabilities				
Gross liability	191,297,442	163,509,221	215,545,191	163,509,221
Future finance charges on finance leases	70,098,750	41,318,260	70,098,750	41,318,260
Total: Finance lease liability	261,396,192	204,827,481	285,643,941	204,827,481

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
Non-current portion of finance lease liability				
Gross liability	88,717,416	89,372,207	112,965,165	89,372,207
Future finance charges on finance leases	18,447,368	18,330,687	18,447,368	18,330,687
	<u>107,164,784</u>	<u>107,702,894</u>	<u>131,412,533</u>	<u>107,702,894</u>
Current portion of finance lease liability				
Gross liability	102,580,026	74,137,014	102,580,026	74,137,014
Future finance charges on finance leases	51,651,382	22,987,573	51,651,382	22,987,573
	<u>154,231,408</u>	<u>97,124,587</u>	<u>154,231,408</u>	<u>97,124,587</u>
Finance lease liabilities – minimum future lease payments:				
No later than one year	102,580,026	74,137,014	102,580,026	76,177,822
Later than one year, no later than five years	88,717,416	89,372,207	89,679,098	91,513,618
Later than five years	0	0	23,286,067	23,631,513
	<u>191,297,442</u>	<u>163,509,221</u>	<u>215,545,191</u>	<u>191,322,953</u>
Future finance charges on finance leases	70,098,750	41,318,260	70,098,750	41,318,260
Present value of finance lease liabilities	<u>261,396,192</u>	<u>204,827,481</u>	<u>285,643,941</u>	<u>232,641,213</u>
Refer to Annexure A for more detail on finance lease liabilities.				
The present value of finance lease liabilities may be analysed as follows:				
No later than one year	154,231,408	97,124,587	154,231,408	97,124,587
Later than one year, no later than five years	107,164,784	107,702,894	107,164,784	107,702,894
	<u>261,396,192</u>	<u>204,827,481</u>	<u>261,396,192</u>	<u>204,827,481</u>
Fair value of loans (amortised cost ie PV)	<u>261,396,192</u>	<u>204,827,481</u>	<u>261,396,192</u>	<u>204,827,481</u>
Collateral held in terms of the above lease (net book amount of leased assets) (see note 1013)	<u>251,314,511</u>	<u>197,234,792</u>	<u>251,314,511</u>	<u>197,234,792</u>

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Term loans are secured by:

(1) a general notarial bond over the movable assets of the trust; (2) cession of the Temba Lease Agreement; and (3) Debt Service Reserve Account, Capital Reserve Account and Operating Reserve Account. These loans are repayable six-monthly over 15 years.

Housing Company Tshwane

A secured loan bearing interest at 14% per year from National Housing Finance Corporation Ltd, repayable in the remaining 188 monthly instalments (initially 240 monthly instalments). Secured by a mortgage bond over the investment property with a fair value of R10 000 000 (subject to pending valuation results) plus a cession of all banking accounts, debtors books and all risk insurance policies.

Interest-free loan convertible to a grant on meeting certain criteria from the Gauteng Partnership Fund. The book value of the loan amounts to R293 000.

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
3.2 Deferred lease liabilities				
Balance at the beginning of the year (only brought in in 2007/08)			1,873,039	0
Expense realised			205,083	0
Balance at the end of the year			2,078,122	0
4 Non-Current Provisions				
4.1 Clearing of Alien Vegetation				
Opening balance at the beginning of the year	5,263,150	2,869,225	5,263,150	2,869,225
Contributions during the year	3,716,659	6,292,554	3,716,659	6,292,554
Expenditure during the year	(3,190,344)	(3,898,629)	(3,190,344)	(3,898,629)
Closing balance at the end of the year	5,789,465	5,263,150	5,789,465	5,263,150
In terms of the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983), the provision for the clearing of alien vegetation was established in 2005/06 as a start to address the backlogs that exist. The provision will be phased in over a period of time.				
4.2 Rehabilitation of Landfill Sites				
The provision for landfill sites has been established in the 2007/08 financial year only.				
Opening balance at the beginning of the year	0	0	0	0
Contributions during the year	63,360,000	0	63,360,000	0
Expenditure during the year	0	0	0	0
Closing balance at the end of the year	63,360,000	0	63,360,000	0
4.3 Rehabilitation of Quarries				
The provision for quarries has been established in the 2007/08 financial year only.				
Opening balance at the beginning of the year	0	0	0	0
Contributions during the year	18,061,984	0	18,061,984	0
Expenditure during the year	0	0	0	0
Closing balance at the end of the year	18,061,984	0	18,061,984	0
4.4 Total: Non-current provisions				
Opening balance at the beginning of the year	5,263,150	2,869,225	5,263,150	2,869,225
Contributions during the year	85,138,643	6,292,554	85,138,643	6,292,554
Expenditure during the year	(3,190,344)	(3,898,629)	(3,190,344)	(3,898,629)
Closing balance at the end of the year	87,211,449	5,263,150	87,211,449	5,263,150
5 Current Provisions				
Performance bonus			782,275	2,318,467
Special projects			0	0
			782,275	2,318,467

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
5.1 Reconciliation of Current Provisions				
5.1.1 Performance bonus				
Balance at the beginning of the year			2,318,467	1,964,363
Contributions to provision			782,275	354,104
Use of provision			(2,318,467)	0
Balance at the end of the year			782,275	2,318,467
5.1.2 Special projects				
Balance at the beginning of the year			0	2,495,167
Contributions to provision			0	0
Use of provision			0	(2,495,167)
Balance at the end of the year			0	0
6 Consumer Deposits				
Electricity and water	267,978,963	257,579,090	269,510,010	257,579,090
Guarantees held in lieu of electricity and water deposits	128,909,639	115,829,785	128,909,639	115,829,785
7 Creditors				
Trade creditors	967,517,682	1,074,289,037	983,370,640	1,090,826,440
Payments received in advance	3,873,614	6,147,161	58,127,847	100,858,338
Retentions	96,661,285	80,391,743	103,699,574	90,378,713
Staff leave accrual	257,311,987	226,880,894	259,776,832	226,885,121
Deposits	17,931,509	14,845,980	20,024,840	16,667,509
Other creditors	397,079,629	417,805,499	406,765,197	440,407,042
Total: Creditors	1,740,375,706	1,820,360,314	1,831,764,930	1,966,023,163
8 Unspent Conditional Grants and Receipts				
8.1 Conditional grants from other spheres of government	324,296,799	198,708,969	324,296,799	198,708,969
Municipal Infrastructure Grant (MIG)	35,892,625	19,794,905	35,892,625	19,794,905
Housing projects	19,132,755	25,714,685	19,132,755	25,714,685
Department of Water Affairs and Forestry (DWAF)	0	22,391,328	0	22,391,328
Finance Management Grant (FMG)	1,304,688	1,503,403	1,304,688	1,503,403
Municipal System Improvement Grant (MSIG)	498,400	3,000,000	498,400	3,000,000
Restructuring Grant	86,786,106	78,921,695	86,786,106	78,921,695
Department of Provincial and Local Government	49,431,225	0	49,431,225	0
HIV/Aids Operational Grant				
Transportation and Engineering	8,000,000	8,000,000	8,000,000	8,000,000
Department of Public Works	7,322,068	7,322,068	7,322,068	7,322,068
Transport: World Cup Soccer	115,785,094	24,150,000	115,785,094	24,150,000
Eskom	12,953	5,780,000	12,953	5,780,000
Provincial Local Economic Development Projects Grant	130,885	2,130,885	130,885	2,130,885

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
8.2 Other conditional receipts	10,595,333	12,281,962	14,878,285	12,281,962
National Electrification Fund	4,198,110	4,025,783	4,198,110	4,025,783
Bontle ke Botho	1,457,223	177,223	1,457,223	177,223
Gauteng: Agriculture, Conservation and Environment	440,000	8,078,956	440,000	8,078,956
DPLG: Health	1,500,000	0	1,500,000	0
Monument Golf Club	3,000,000	0	3,000,000	0
Other: Sandspruit	0	0	4,282,952	0
Total: Conditional grants and receipts	334,892,132	210,990,931	339,175,084	210,990,931

See note 20 for reconciliation of grants from other spheres of government.
These amounts are invested until used.

9 VAT

VAT payable	104,380,809	58,214,444	113,720,301	61,270,221
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VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

10 Property, Plant and Equipment

Reconciliation of carrying values

10.1 Infrastructure

Carrying value at 1 July	5,335,829,652	4,572,768,786	5,344,147,652	4,578,920,873
Cost	7,336,282,784	6,450,648,987	7,346,503,035	6,457,836,217
Accumulated depreciation – cost	(2,000,453,132)	(1,877,880,201)	(2,002,355,383)	(1,878,915,344)
Acquisitions	2,299,852,932	158,454,785	2,300,296,509	160,620,367
Additions	1,876,235,172	217,828,990	1,877,650,290	220,862,011
Capital under construction	639,207,766	250,981,817	639,207,766	250,981,817
Transfer: Threshold assets – cost	(107,017)	107,017		
Transfer: Threshold assets – depreciation	106,686	(106,686)		
Depreciation – based on cost	(215,589,675)	(310,356,353)	(216,561,547)	(311,223,461)
Carrying value of purification/transfers	(964,766,260)	604,606,081	(964,766,260)	604,606,081
Cost	(966,379,735)	416,715,973	(966,379,735)	416,715,973
Accumulated depreciation – cost	1,613,475	187,890,108	1,613,475	187,890,108
Carrying values at 30 June:	6,670,916,324	5,335,829,652	6,679,677,570	5,344,147,652
Cost	8,885,238,970	7,336,282,784	8,896,874,339	7,346,503,035
Accumulated depreciation – cost	(2,214,322,646)	(2,000,453,132)	(2,217,196,769)	(2,002,355,383)

10.2 Community

Carrying value at 1 July	768,321,582	212,730,759	768,321,582	212,730,759
Cost	1,024,618,757	389,646,613	1,024,618,757	389,646,613
Accumulated depreciation – cost	(256,297,175)	(176,915,854)	(256,297,175)	(176,915,854)

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
Acquisitions	112,882,539	(36,106,350)	113,072,682	(36,296,493)
Additions	146,170,690	6,900,014	146,170,690	6,900,014
Capital under construction	8,353,798	(22,463,288)	8,353,798	(22,463,288)
Transfer: Threshold assets – cost	(200,589)	200,589		
Transfer: Threshold assets – depreciation	10,446	(10,446)		
Depreciation – based on cost	(41,451,806)	(20,733,219)	(41,451,806)	(20,733,219)
Carrying value of purification/transfers	(29,901,839)	591,697,173	(29,901,839)	591,697,173
Cost	(29,901,839)	650,334,829	(29,901,839)	650,334,829
Accumulated depreciation – cost	0	(58,637,656)	0	(58,637,656)
Carrying value at 30 June:	851,302,282	768,131,439	851,302,282	768,131,439
Cost	1,149,040,817	1,024,418,168	1,149,040,817	1,024,418,168
Accumulated depreciation – cost	(297,738,535)	(256,286,729)	(297,738,535)	(256,286,729)
10.3 Heritage				
Carrying value at 1 July	3,733,422	3,221,102	3,733,422	3,221,102
Cost	3,813,988	3,221,102	3,813,988	3,221,102
Accumulated depreciation – cost	(80,566)	0	(80,566)	0
Acquisitions	(38,675)	0	(38,675)	0
Additions	0	0	0	0
Capital under construction	0	0	0	0
Depreciation – based on cost	(38,675)	0	(38,675)	0
Carrying value of purification/transfers	0	512,320	0	512,320
Cost	0	592,886	0	592,886
Accumulated depreciation – cost	0	(80,566)	0	(80,566)
Carrying value at 30 June:	3,694,747	3,733,422	3,694,747	3,733,422
Cost	3,813,988	3,813,988	3,813,988	3,813,988
Accumulated depreciation – cost	(119,241)	(80,566)	(119,241)	(80,566)
10.4 Housing				
Carrying value at 1 July	201,630,395	220,074,355	201,630,395	220,074,355
Cost	234,965,906	227,228,983	234,965,906	227,228,983
Accumulated depreciation – cost	(33,335,511)	(7,154,628)	(33,335,511)	(7,154,628)
Acquisitions	84,530,648	(61,060,788)	84,530,648	(61,060,788)
Additions	81,746,559	0	81,746,559	0
Capital under construction	6,035,290	(59,745,969)	6,035,290	(59,745,969)
Depreciation – based on cost	(3,251,201)	(1,314,819)	(3,251,201)	(1,314,819)
Carrying value of purification/transfers	(132,579,480)	42,616,828	(132,579,480)	42,616,828
Cost	(132,579,480)	67,482,892	(132,579,480)	67,482,892
Accumulated depreciation – cost	0	(24,866,064)	0	(24,866,064)

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
Carrying value at 30 June:	153,581,563	201,630,395	153,581,563	201,630,395
Cost	190,168,275	234,965,906	190,168,275	234,965,906
Accumulated depreciation – cost	(36,586,712)	(33,335,511)	(36,586,712)	(33,335,511)
10.5 Stock				
Carrying value at 1 July	1,019,408	0	1,019,408	0
Cost	1,142,732	0	1,142,732	0
Accumulated depreciation – cost	(123,324)	0	(123,324)	0
Acquisitions	0	0	0	0
Additions	0	0	0	0
Capital under construction	0	0	0	0
Depreciation – based on cost	0	0	0	0
Carrying value of purification/transfers	0	1,019,408	0	1,019,408
Cost	0	1,142,732	0	1,142,732
Accumulated depreciation – cost	0	(123,324)	0	(123,324)
Carrying value at 30 June:	1,019,408	1,019,408	1,019,408	1,019,408
Cost	1,142,732	1,142,732	1,142,732	1,142,732
Accumulated depreciation – cost	(123,324)	(123,324)	(123,324)	(123,324)
10.6 Land				
Carrying value at 1 July	998,891,764	1,089,837,130	998,891,764	1,089,837,130
Cost	1,140,397,933	1,095,638,197	1,140,397,933	1,095,638,197
Accumulated depreciation – cost	(141,506,169)	(5,801,067)	(141,506,169)	(5,801,067)
Acquisitions	1,104,434	10,452,013	1,104,434	10,452,013
Additions	1,104,434	10,452,013	1,104,434	10,452,013
Capital under construction	0	0	0	0
Depreciation – based on cost	0	0	0	0
Carrying value of purification/transfers	0	(101,397,379)	0	(101,397,379)
Cost	0	34,307,723	0	34,307,723
Accumulated depreciation – cost	0	(135,705,102)	0	(135,705,102)
Carrying value at 30 June:	999,996,198	998,891,764	999,996,198	998,891,764
Cost	1,141,502,367	1,140,397,933	1,141,502,367	1,140,397,933
Accumulated depreciation – cost	(141,506,169)	(141,506,169)	(141,506,169)	(141,506,169)
10.7 Buildings				
Carrying value at 1 July	417,141,081	740,713,636	422,489,863	744,743,588
Cost	701,317,311	1,121,682,404	707,455,026	1,126,353,083
Accumulated depreciation – cost	(284,176,230)	(380,968,768)	(284,965,163)	(381,609,495)
Acquisitions	6,005,757	55,733,407	7,178,708	57,052,237
Additions	77,379,357	110,514,007	78,724,850	111,981,043
Capital under construction	0	0	0	0
Depreciation – based on cost	(71,373,600)	(54,780,600)	(71,546,142)	(54,928,806)

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
Carrying value of purification/transfers	(58,755)	(379,305,962)	(58,755)	(379,305,962)
Cost	(67,846)	(530,879,100)	(67,846)	(530,879,100)
Accumulated depreciation – cost	9,091	151,573,138	9,091	151,573,138
Carrying value at 30 June:	423,088,083	417,141,081	429,609,816	422,489,863
Cost	778,628,822	701,317,311	786,112,030	707,455,026
Accumulated depreciation – cost	(355,540,739)	(284,176,230)	(356,502,214)	(284,965,163)
10.8 Other				
Carrying value at 1 July	408,679,165	459,205,392	820,460,860	898,611,995
Cost	808,407,385	838,961,627	1,285,958,277	1,305,612,005
Accumulated depreciation – cost	(399,728,220)	(379,756,235)	(465,497,417)	(407,000,010)
Acquisitions	9,184,029	(60,360,738)	(13,688,823)	(93,350,046)
Additions	67,356,442	23,771,923	74,599,765	34,672,435
Capital under construction	64,752,621	39,967,354	64,752,621	39,967,354
Transfer: Threshold assets – cost	(8,493,291)	8,493,291		
Transfer: Threshold assets – depreciation	1,513,405	(1,513,405)		
Depreciation – based on cost	(115,945,148)	(131,079,901)	(153,041,209)	(167,989,835)
Carrying value of purification/transfers/disposals	(54,047,451)	9,834,511	(55,148,078)	8,219,023
Cost	(63,108,790)	(102,786,810)	(63,135,727)	(102,786,810)
Accumulated depreciation – cost	9,061,339	112,621,321	7,987,649	111,005,833
Carrying value at 30 June:	363,815,743	408,679,165	744,644,073	820,460,860
Cost	868,914,367	808,407,385	1,353,681,645	1,285,958,277
Accumulated depreciation – cost	(505,098,624)	(399,728,220)	(609,037,572)	(465,497,417)
10.9 TOTAL: Property, Plant and Equipment				
Carrying value at 1 July	8,135,246,469	7,298,551,160	8,560,694,946	7,748,139,802
Cost	11,250,946,796	10,127,027,913	11,744,855,654	10,605,536,200
Accumulated depreciation – cost	(3,115,700,327)	(2,828,476,753)	(3,184,160,708)	(2,857,396,398)
Acquisitions	2,513,521,664	67,112,329	2,492,455,483	37,417,290
Additions	2,249,992,654	369,466,947	2,259,996,588	384,867,516
Capital under construction	718,349,475	208,739,914	718,349,475	208,739,914
Transfer: Threshold assets – cost	(8,800,897)	8,800,897		
Transfer: Threshold assets – depreciation	1,630,537	(1,630,537)		
Depreciation – based on cost	(447,650,105)	(518,264,892)	(485,890,580)	(556,190,140)
Carrying value of purification/transfers/disposals	(1,181,353,785)	769,582,980	(1,182,454,412)	767,967,492
Cost	(1,192,037,690)	536,911,125	(1,192,064,627)	536,911,125
Accumulated depreciation – cost	10,683,905	232,671,855	9,610,215	231,056,367
Carrying value at 30 June:	9,467,414,348	8,135,246,469	9,863,525,657	8,560,694,944
Cost	13,018,450,338	11,250,946,796	13,522,336,193	11,744,855,652
Accumulated depreciation – cost	(3,551,035,990)	(3,115,700,327)	(3,658,810,536)	(3,184,160,708)

CHAPTER FOUR: Financial Statements

DESCRIPTION	MUNICIPALITY		GROUP	
	2008 R	2007 R	2008 R	2007 R
10.10. Investment Property				
Carrying value at 1 July	11,950,765	1,678,026	19,441,422	9,168,683
Cost	44,792,509	1,707,296	52,283,166	9,197,953
Accumulated depreciation – cost	(32,841,744)	(29,270)	(32,841,744)	(29,270)
Acquisitions	(1,497,613)	391,840	(1,497,613)	391,840
Additions	0	450,000	0	450,000
Capital under construction	0	0	0	0
Depreciation – based on cost	(1,497,613)	(58,160)	(1,497,613)	(58,160)
Carrying value of purification/transfers/disposals	0	9,880,899	2,509,343	9,880,899
Cost	0	42,635,213	2,509,343	42,635,213
Accumulated depreciation – cost	0	(32,754,314)	0	(32,754,314)
Carrying value at 30 June:	10,453,152	11,950,765	20,453,152	19,441,422
Cost	44,792,509	44,792,509	54,792,509	52,283,166
Accumulated depreciation – cost	(34,339,357)	(32,841,744)	(34,339,357)	(32,841,744)
10.11 Intangible Assets				
Carrying value at 1 July	95,359,784	158,519,840	95,359,784	158,519,840
Cost	125,103,123	198,133,925	125,103,123	198,133,925
Accumulated depreciation – cost	(29,743,339)	(39,614,085)	(29,743,339)	(39,614,085)
Acquisitions	2,675,188	(40,089,559)	2,663,953	(40,089,559)
Additions	33,843,313	171,421	33,846,553	171,421
Capital under construction	0	0	0	0
Depreciation – based on cost	(31,168,125)	(40,260,980)	(31,182,600)	(40,260,980)
Carrying value of purification/transfers/disposals	0	(23,070,497)	72,375	(23,070,497)
Cost	0	(73,202,223)	14,475	(73,202,223)
Accumulated depreciation – cost	0	50,131,726	57,900	50,131,726
Carrying value at 30 June:	98,034,972	95,359,784	98,038,212	95,359,784
Cost	158,946,436	125,103,123	159,007,576	125,103,123
Accumulated depreciation – cost	(60,911,464)	(29,743,339)	(60,969,364)	(29,743,339)
10.12 GRAND TOTAL				
Carrying value at 1 July	8,242,557,018	7,458,749,026	8,675,496,152	7,915,828,325
Cost	11,420,842,428	10,326,869,134	11,922,241,943	10,812,868,078
Accumulated depreciation – cost	(3,178,285,410)	(2,868,120,108)	(3,246,745,791)	(2,897,039,753)
Acquisitions	2,514,699,239	27,414,610	2,486,451,463	(2,280,429)
Additions	2,275,035,070	370,088,368	2,285,042,244	385,488,937
Capital under construction	718,349,475	208,739,914	718,349,475	208,739,914
Transfer: Threshold assets – cost	0	8,800,897		
Transfer: Threshold assets – depreciation	0	(1,630,537)		
Depreciation – based on cost	(478,685,306)	(558,584,032)	(516,940,256)	(596,509,280)

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
Carrying value of purification/transfers/disposals	(1,181,353,785)	756,393,382	(1,179,930,594)	754,777,894
Cost	(1,192,037,690)	506,344,115	(1,189,497,384)	506,344,115
Accumulated depreciation – cost	10,683,905	250,049,267	9,566,790	248,433,779
Carrying value at 30 June:	9,575,902,472	8,242,557,018	9,982,017,021	8,675,496,152
Cost	13,222,189,283	11,420,842,428	13,736,136,278	11,922,241,943
Accumulated depreciation – cost	(3,646,286,811)	(3,178,285,410)	(3,754,119,257)	(3,246,745,791)

Refer to Annexure B (for analysis per class) and Annexure C (for segmental analysis).

The Council has approved a process for the purification of these globular assets to the individual assets. The Municipality is now in the third year of a three-year cycle to purify the data of the fixed asset register. All new assets acquired since 1 July 2004 are recognised and depreciated individually as per the requirements of GAMAP 17.

Note: No revaluation and/or impairment of assets can be undertaken until the purification process is finalised.

The purification process entailed the following:

- Compilation of policies and procedures, revision of asset class structure and modification of business processes to ensure compliance with GAMAP 17
- Analysis of capital ledger transactions to ensure their correct recording on the fixed asset register
- Complete verification and take-up of the physical assets with the assistance of the departments
- Purification of the fixed asset register by merging the two sets of data with the assistance of the departments

10.13 Leased Assets

Carrying value at 1 July	197,234,792	135,342,897	212,108,487	151,997,351
Cost	267,593,177	164,174,783	285,232,242	183,291,200
Accumulated depreciation – cost	(70,358,385)	(28,831,886)	(73,123,755)	(31,293,849)
Acquisitions	54,079,719	61,891,895	53,277,944	61,398,224
Additions	116,938,302	103,418,394	116,938,302	103,418,394
Capital under construction	0	0	0	0
Depreciation – based on cost	(62,858,583)	(41,526,499)	(63,660,358)	(42,020,170)
Carrying value of purification/transfers/disposals	0	0	(308,104)	(1,287,087)
Cost	0	0	0	(1,477,352)
Accumulated depreciation – cost	0	0	(308,104)	190,265
Carrying value at 30 June:	251,314,511	197,234,792	265,078,327	212,108,489
Cost	384,531,479	267,593,177	402,170,544	285,232,244
Accumulated depreciation – cost	(133,216,968)	(70,358,385)	(137,092,217)	(73,123,755)

Accounting for finance leases was only done from 2007/08. However, the 2006/07 figures were restated.

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
11 Biological Assets: Livestock				
Carrying amount at the beginning of the financial year	11,014,558	10,458,980	11,014,558	10,458,980
Gain: Changes in fair value due to physical changes and price changes	3,726,697	555,578	3,726,697	555,578
Carrying amount at the end of the financial year	14,741,255	11,014,558	14,741,255	11,014,558
12 Investments				
12.1 Held-to-Maturity Investments				
Unlisted				
Shares *	0	1,128,029	0	1,128,029
Municipal stock	3,033,002	6,056,959	3,033,002	6,056,959
* A contract is in place with a specific maturity date.	3,033,002	7,184,988	3,033,002	7,184,988
Financial instruments				
Fixed deposits	416,767,411	398,992,765	423,625,129	405,784,035
Assurance companies	5,752,656	5,106,155	5,752,656	5,106,155
	422,520,067	404,098,920	429,377,785	410,890,190
Total: Held-to-maturity investments	425,553,069	411,283,908	432,410,787	418,075,178
12.2 Available-for-Sale Investments				
Short-term deposits and call deposits	235,135,631	558,674,497	272,462,172	614,937,475
TOTAL INVESTMENTS	660,688,700	969,958,405	704,872,959	1,033,012,653
Market value of listed investments, and management's valuation of unlisted investments				
Unlisted investments	660,688,700	969,958,405	704,872,959	1,033,012,653

No impairment occurred during the financial year.

Average rate of return on long-term investments: 14,10% (2006/07 = 13,30%)

Average rate of return on short-term investments: 10,43% (2006/07 = 8,50%)

The Municipal Finance Management Act, 2003 (Act 56 of 2003), requires local authorities to invest funds that are not immediately required with prescribed institutions. The period should be such that it will not be necessary to borrow funds against the investment at a penalty interest rate to meet commitments.

13 Long-Term Receivables

Consumers: Arrangement debtors	202,597,529	220,595,717	202,597,529	220,595,717
Housing loans	59,092,140	67,613,043	59,092,140	67,613,043
Motor car loans	2,161,952	8,080,676	2,161,952	8,080,676
Loans to sports clubs	1,688,951	1,729,108	1,688,951	1,729,108
Computer loans	0	65	0	65
Study loans	13,930	15,546	13,930	15,546
Sale of land	65,779,894	69,882,327	65,779,894	69,882,327
Samrand Development (Pty) Ltd	0	18,152,564	0	18,152,564
Loan to Botselo Water: Sandspruit	0	0	0	1,506,051
	331,334,396	386,069,046	331,334,396	387,575,097

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
Less: Current portion transferred to current receivables	103,377,148	27,840,367	103,377,148	27,840,367
	227,957,248	358,228,679	227,957,248	359,734,730
Less: Provision for bad debt: Housing loans	38,194,441	36,202,047	38,194,441	36,202,047
Total: Long-term receivables	189,762,807	322,026,632	189,762,807	323,532,683
Reconciliation of Bad Debt Provision				
Balance at the beginning of the year	36,202,047	34,306,320	36,202,047	34,306,320
Contributions to provision	1,992,394	1,895,727	1,992,394	1,895,727
Balance at the end of the year	38,194,441	36,202,047	38,194,441	36,202,047

Consumer: Arrangement Debtors

A policy exists granting consumer debtors an opportunity to make arrangements to pay off their arrear debt over a certain period.

Housing Loans

Housing loans are granted to qualifying individuals in terms of the Provincial Administration's Housing Programme. These loans attract interest of 13,5% per year and are repayable over periods of 20 and 30 years.

Motor Car Loans

Senior staff were entitled to motor car loans which attract interest at 8,5% per year and which are repayable over a maximum period of six years. This practice has been terminated in terms of the MFMA and the last loan will be fully repaid in October 2009.

Loans to Sports Clubs

Sports clubs that do qualify, sign a 99-year leasehold agreement with the Municipality at a nominal amount and are provided with financial assistance from the Municipality to build or improve a facility, which funds are repayable over a period. The club has no claim to the improvements after the leasehold agreement has expired.

Computer Loans

Staff were entitled to an interest-free computer loan which was repayable over a period of five years. This practice has been terminated in terms of the MFMA and the last loan will be fully repaid in 2009.

Study Loans

Employees were entitled to interest-free study loans which were repayable over a period of one year after the completion of their studies. This practice has been terminated in terms of the MFMA. The last payment cannot be determined at present as some of the employees are still studying.

Children of employees of the Municipality also qualified for study loans which attracted an interest rate applicable during the period of application as determined by the Municipality at the time of the application and the approval thereof. No more new study loans are issued by the Municipality.

Sale of Land Debtors

Vacant properties are sold through a process administered by Property Legal Services. Contracts are signed and advices for the opening of individual accounts, which indicate the amount of the deposit (10%) and VAT (14%), are issued. The contract stipulates from when interest is payable (immediately after signing the contract or after 12 months). The interest rate used is the Municipality's mortgage bond rate which currently is 11%. Interest is calculated monthly on the outstanding balance of the property.

Samrand Development (PTY) LTD

This debtor holds a long-outstanding consumer debt. The negotiations were completed during 2007/08, the necessary offsetting was done and the assets were brought into account.

Loan to Botselo Water (Sandspruit)

This loan is unsecured, interest free with no specific terms of repayment.

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
14 Inventory				
Stock represents consumable stock, raw materials, work in progress and finished goods.	196,287,554	140,829,697	212,603,847	184,623,282
Quarry	812,232	501,539	812,232	501,539
Coal (power stations)	16,287,079	22,031,408	16,287,079	22,031,408
Plants	55,127	99,379	55,127	99,379
Bulk water	3,160,425	2,482,172	3,160,425	2,482,172
Net inventory	216,602,417	165,944,195	232,918,710	209,737,780

15 Consumer Debtors

The City of Tshwane (parent) has a consolidated account billing system. The debtors are divided per service category on a pro rata basis based on the levies. The provision for bad debt is therefore not available per income group.

Service debtors	3,510,213,512	3,146,540,369	3,712,763,228	3,293,028,331
	874,215,083	694,221,969	874,199,921	694,221,969
Electricity	1,420,106,081	1,352,679,005	1,420,017,104	1,352,679,005
Water	767,648,642	679,889,865	970,302,497	826,377,827
Sewerage	190,015,285	169,777,929	190,015,285	169,777,929
Refuse removal	258,228,421	249,971,601	258,228,421	249,971,601
Less: Arrangement debtors	202,597,529	220,595,716	202,597,529	220,595,716
	3,307,615,983	2,925,944,653	3,510,165,699	3,072,432,615
Less: Provision for bad debt	914,443,852	881,557,955	1,108,845,887	1,025,420,794
Consumer debtors per balance sheet	2,393,172,131	2,044,386,698	2,401,319,812	2,047,011,821

The Council approved R110 955 058 including VAT to be written off for the parent. However, only R100 732 978 (2007: R86 736 741) was written off as bad debt by the parent municipality. This represents 0,99% (2007: 1,01%) of the total operating income for the year.

Ageing: Total

Current (0 – 30 days)	1,038,361,586	890,777,901	1,240,911,302	1,037,265,863
31 – 60 days	197,017,183	191,055,500	197,017,183	191,055,500
61 – 90 days	101,991,952	65,548,626	101,991,952	65,548,626
91 + days	2,172,842,791	1,999,158,342	2,172,842,791	1,999,158,342
	3,510,213,512	3,146,540,369	3,712,763,228	3,293,028,331

Rates: Ageing

Current (0 – 30 days)	331,763,142	226,797,015	331,747,980	226,797,015
31 – 60 days	43,852,936	44,312,481	43,852,936	44,312,481
61 – 90 days	30,332,616	23,153,018	30,332,616	23,153,018
91 + days	468,266,389	399,959,455	468,266,389	399,959,455
	874,215,083	694,221,969	874,199,921	694,221,969

Electricity: Ageing

Current (0 – 30 days)	378,056,908	405,700,048	377,967,931	405,700,048
31 – 60 days	133,732,668	94,168,975	133,732,668	94,168,975
61 – 90 days	32,478,155	17,724,793	32,478,155	17,724,793
91 + days	875,838,350	835,085,189	875,838,350	835,085,189
	1,420,106,081	1,352,679,005	1,420,017,104	1,352,679,005

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
Water: Ageing				
Current (0 – 30 days)	169,801,796	168,963,447	372,455,651	315,451,409
31 – 60 days	53,091,401	36,569,219	53,091,401	36,569,219
61 – 90 days	20,609,103	16,514,682	20,609,103	16,514,682
91 + days	524,146,342	457,842,517	524,146,342	457,842,517
	767,648,642	679,889,865	970,302,497	826,377,827
Sanitation: Ageing				
Current (0 – 30 days)	42,146,336	39,039,899	42,146,336	39,039,899
31 – 60 days	12,606,297	7,949,450	12,606,297	7,949,450
61 – 90 days	4,438,100	3,406,292	4,438,100	3,406,292
91 + days	130,824,552	119,382,288	130,824,552	119,382,288
	190,015,285	169,777,929	190,015,285	169,777,929
Solid Waste: Ageing				
Current (0 – 30 days)	46,798,851	50,277,491	46,798,851	50,277,491
31 – 60 days	10,505,708	8,055,375	10,505,708	8,055,375
61 – 90 days	5,771,804	4,749,841	5,771,804	4,749,841
91 + days	195,152,058	186,888,894	195,152,058	186,888,894
	258,228,421	249,971,601	258,228,421	249,971,601
Summary of consumer debtors by customer classification				
Household	2,348,332,840	2,048,397,780	2,550,882,556	2,194,885,742
Industrial/commercial	666,940,567	814,953,956	666,940,567	814,953,956
National and provincial government	49,142,989	72,370,428	49,142,989	72,370,428
Other	445,797,116	210,818,205	445,797,116	210,818,205
Total consumer debtors by customer classification	3,510,213,512	3,146,540,369	3,712,763,228	3,293,028,331
Reconciliation of Bad Debt Provision				
Balance at the beginning of the year	881,557,955	830,673,256	1,025,420,794	1,068,446,752
Contributions to provision	32,885,897	50,884,699	83,425,093	(43,025,958)
Balance at the end of the year	914,443,852	881,557,955	1,108,845,887	1,025,420,794
16 Other Debtors				
Housing debtors	12,687,578	9,961,181	31,267,285	21,499,010
Government subsidies	12,303,500	7,075,000	12,303,500	7,075,000
RSC levies debtor	200,675,211	236,729,088	200,675,211	236,729,088
Amounts paid in advance	0	50,826,104	4,169,752	54,415,928
Other current debtors	257,117,885	231,044,616	275,294,722	245,905,087
	482,784,174	535,635,989	523,710,470	565,624,113
Less: Provision for bad debt	246,003,159	100,967,058	260,915,197	109,137,273
Total: Other debtors	236,781,015	434,668,931	262,795,273	456,486,840
Reconciliation of Bad Debt Provision				
Balance at the beginning of the year	100,967,058	46,995,190	100,967,058	46,995,190
Contributions to provision	145,036,101	53,971,868	145,036,101	62,142,083
Balance at the end of the year	246,003,159	100,967,058	246,003,159	109,137,273

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
17 Call Investment Deposits				
Other deposits/call investments	568,644,654	634,478,486	605,971,195	690,741,464

Other deposits of R42 555 306 911 (2007 = R411 283 908) are ring-fenced and attributable to the Capital Replacement Reserve of R307 157 479. Fixed deposits amounting to R568 644 654 (2007 = R634 478 486) have also been ring-fenced for repaying long-term liabilities. Refer to note 31.

18 Bank, Cash and Overdraft Balances

The Municipality (parent) has the following bank accounts:

18.1 Current account (primary bank account)

Standard Bank – Primary (Account 41 080 1453)
 Standard Bank – Cashier Deposit (Account 41 080 1569)
 Standard Bank – Wonderboom Airport (Account 41 080 1674)
 Standard Bank – Collection (Account 41 080 1658)
 Absa – Main (Account 4060 738 263)
 Absa – SAP Collection (Account 4061 025 439)
 Absa – Old Main (Account 4053 381 912)
 Absa – Pretoria Collection (Account 4053 381 857)
 Absa – Centurion Collection (Account 4053 486 168)
 Absa – Akasia Collection (Account 4053 388 003)
 Absa – GPMC Collection (Account 4048 828 191)
 Absa – Housing Collection (Account 4054 433 297)
 Absa – Wonderboom Airport (Account 4059 414 365)
 FNB Main – Pretoria Branch (Account 5142 0107 207)
 FNB – Pretoria Collection (Account 5142 0108 130)
 FNB – Centurion Collection (Account 6202 7802 869)
 FNB – Akasia Collection (Account 6202 7803 023)
 FNB – Housing Collection (Account 5142 1127 486)
 FNB – SAP Collection (Account 6207 4177 786)
 FNB – Traffic Collection (Account 6206 7460 586)

Absa

Cash book balance at the beginning of the year	15,413,275	(29,715,301)	15,413,275	(29,715,301)
Cash book balance at the end of the year	12,781,873	15,413,275	12,781,873	15,413,275
Bank statement balance at the beginning of the year	17,907,552	60,295,912	17,907,552	60,295,912
Bank statement balance at the end of the year	37,657,228	17,907,552	37,657,228	17,907,552

FNB

Cash book balance at the beginning of the year	(2,374)	3,509,343	(2,374)	3,509,343
Cash book balance at the end of the year	8,630,642	(2,374)	8,630,642	(2,374)
Bank statement balance at the beginning of the year	10,499,069	3,517,003	10,499,069	3,517,003
Bank statement balance at the end of the year	9,594,524	10,499,069	9,594,524	10,499,069

Standard Bank (opened 1 July 2006)

Cash book balance at the beginning of the year	(45,999,764)	0	(45,999,764)	0
Cash book balance at the end of the year - (overdrawn)	(106,407,370)	(45,999,764)	(106,407,370)	(45,999,764)
Bank statement balance at the beginning of the year	38,863,430	0	38,863,430	0
Bank statement balance at the end of the year	11,907,106	38,863,430	11,907,106	38,863,430

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
18.2 Insurance contingency (opened 1 July 2005)				
Absa (Account 4062593950)				
Cash book balance at the beginning of the year	41,285,499	7,972,921	41,285,499	7,972,921
Cash book balance at the end of the year	7,449,875	41,285,499	7,449,875	41,285,499
Bank statement balance at the beginning of the year	41,285,499	7,972,921	41,285,499	7,972,921
Bank statement balance at the end of the year	7,449,875	41,285,499	7,449,875	41,285,499
18.3 Tshwane Market (primary account)				
FNB – Church Square branch (Account 51421161509)				
Cash book balance at the beginning of the year	12,408,157	7,073,890	12,408,157	7,073,890
Cash book balance at the end of the year	14,111,226	12,408,157	14,111,226	12,408,157
Bank statement balance at the beginning of the year	12,604,882	6,665,740	12,604,882	6,665,740
Bank statement balance at the end of the year	14,801,812	12,604,882	14,801,812	12,604,882
18.4 Petty cash/cashier floats	262,077	242,338	270,993	247,262
18.5 BANK ACCOUNTS: MUNICIPAL ENTITIES				
18.5.1 Roodeplaat/Temba Water Services Trust				
Absa – Current account (Account 4058159742)				
Cash book balance at the beginning of the year			36,772,659	39,183,111
Cash book balance at the end of the year			27,932,978	36,772,659
Bank statement balance at the beginning of the year			36,772,659	39,183,111
Bank statement balance at the end of the year			27,932,978	36,772,659
Absa – Deposit account – Roodeplaat (Account 4059250408)				
Cash book balance at the beginning of the year			13,150,214	22,074,114
Cash book balance at the end of the year			0	13,150,214
Bank statement balance at the beginning of the year			13,150,214	22,074,114
Bank statement balance at the end of the year			0	13,150,214
Absa – Debt Service Reserve account (Account 4058337269)				
Cash book balance at the beginning of the year			97,790,718	90,045,565
Cash book balance at the end of the year			108,720,424	97,790,718
Bank statement balance at the beginning of the year			97,790,718	90,045,565
Bank statement balance at the end of the year			108,720,424	97,790,718
Absa – Deposit account – Temba (Account 405832325)				
Cash book balance at the beginning of the year			5,624,184	30,685,615
Cash book balance at the end of the year			0	5,624,184
Bank statement balance at the beginning of the year			5,624,184	30,685,615
Bank statement balance at the end of the year			0	5,624,184
Absa – Operating Reserve account (Account 4058337073)				
Cash book balance at the beginning of the year			543,094	501,538
Cash book balance at the end of the year			603,053	543,094
Bank statement balance at the beginning of the year			543,094	500,338
Bank statement balance at the end of the year			603,053	543,094

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
<i>Absa – Capital Reserve account (Account 4058337358)</i>				
Cash book balance at the beginning of the year			10,841,875	10,000,341
Cash book balance at the end of the year			12,052,595	10,841,875
Bank statement balance at the beginning of the year			10,841,875	10,000,341
Bank statement balance at the end of the year			12,052,595	10,841,875
18.5.2 Trade Point Pretoria				
<i>Absa – Current account (Account 4054625800)</i>				
Cash book balance at the beginning of the year			112,278	112,278
Cash book balance at the end of the year			50,670	50,670
Bank statement balance at the beginning of the year			176,645	176,645
Bank statement balance at the end of the year			50,413	50,413
18.5.3 Sandpruit Works Waste Water Treatment				
<i>Absa – Current account (Account 4051139634)</i>				
Cash book balance at the beginning of the year			7,030,146	4,469,149
Cash book balance at the end of the year			482,713	7,030,146
Bank statement balance at the beginning of the year			6,985,969	4,517,902
Bank statement balance at the end of the year			482,713	6,985,969
18.5.4 Sandpruit Works ODI Water				
<i>Standard Bank – Current account (Account 032250738000)</i>				
Cash book balance at the beginning of the year			5,672,412	11,518,431
Cash book balance at the end of the year			9,771,497	5,672,412
Bank statement balance at the beginning of the year			0	12,958,687
Bank statement balance at the end of the year			10,205,841	0
<i>Standard Bank – Current account (Account 031906842000)</i>				
Cash book balance at the beginning of the year			44,588	105,948
Cash book balance at the end of the year			(271,149)	44,588
Bank statement balance at the beginning of the year			0	439,551
Bank statement balance at the end of the year			97,226	0
<i>Standard Bank – Call account (Account 738717959002)</i>				
Cash book balance at the beginning of the year			0	14,197
Cash book balance at the end of the year			0	0
Bank statement balance at the beginning of the year			0	14,197
Bank statement balance at the end of the year			0	0
<i>Standard Bank – Call account (Account 738717959003)</i>				
Cash book balance at the beginning of the year			0	618,109
Cash book balance at the end of the year			0	0
Bank statement balance at the beginning of the year			0	618,109
Bank statement balance at the end of the year			0	0

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
<i>Standard Bank – Call account (Account 738717959001)</i>				
Cash book balance at the beginning of the year			5,923,714	4,236,574
Cash book balance at the end of the year			8,685,895	5,923,714
Bank statement balance at the beginning of the year			0	4,236,574
Bank statement balance at the end of the year			8,685,895	0
<i>Enterprise South Africa</i>				
<i>Absa – Current account (Account 4059489340)</i>				
Cash book balance at the beginning of the year			0	(5,843)
Cash book balance at the end of the year			0	(5,843)
Bank statement balance at the beginning of the year			0	8,740
Bank statement balance at the end of the year			0	8,740
<i>Civirelo Water</i>				
<i>Absa – Current account (Account 4052561692)</i>				
Cash book balance at the beginning of the year			4,252,125	4,117,177
Cash book balance at the end of the year			2,084,786	4,252,125
Bank statement balance at the beginning of the year			6,011,060	4,117,177
Bank statement balance at the end of the year			1,849,223	6,011,060
<i>Housing Company Tshwane</i>				
<i>Absa – Current account (Accounts 4057481879 and 4065722829)</i>				
Cash book balance at the beginning of the year			3,999,822	3,805,095
Cash book balance at the end of the year			849,007	3,999,822
Bank statement balance at the beginning of the year			3,709,294	3,742,286
Bank statement balance at the end of the year			787,871	3,709,294
<i>Tshwane Centre for Business Information and Support</i>				
<i>Absa – Current account (Account 4050437263)</i>				
Cash book balance at the beginning of the year			94,686	94,686
Cash book balance at the end of the year			55,914	55,914
Bank statement balance at the beginning of the year			71,884	71,884
Bank statement balance at the end of the year			53,375	53,375
PROPERTY RATES				
Actual income	2,181,017,691	1,719,224,465	2,180,952,393	1,719,158,593
Site values as at 1 July:				
Residential	14,313,139,046	14,495,588,615	14,313,139,046	14,495,588,615
Other	8,302,880,615	6,837,110,872	8,302,880,615	6,837,110,872
Total property valuation *	22,616,019,661	21,332,699,487	22,616,019,661	21,332,699,487

* The decrease in the valuation since 2006/07 is due to the reconciliation between the VAL system and the SAP billing system which was started during 2006/07.

The last valuation came into effect on 1 July 2002. Rates are levied on the site valuations. A rebate is granted to owners of special dwellings. People 60 years or older, and physically or mentally handicapped people who can substantiate receipt of a social pension, and people certified by the Medical Officer of Health as physically or mentally handicapped, can qualify for a rebate, subject to certain other conditions. The tariff applicable is 14,43c/rand (2006/07 = 13,48c/rand).

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
Service Charges				
Sale of electricity	3,034,977,097	2,664,517,715	3,033,671,453	2,664,157,955
Sale of water	1,232,886,383	1,036,700,846	1,320,258,384	1,107,789,579
Refuse removal	267,689,295	250,699,662	267,689,295	250,699,662
Sewerage and sanitation charges	303,405,995	249,566,964	303,405,995	249,566,964
Total: Service charges	4,838,958,770	4,201,485,187	4,925,025,127	4,272,214,160
21 Government Grants and Subsidies				
Equitable share	1,101,416,093	1,002,649,865	1,101,416,093	1,002,649,865
Housing: Municipality		0	0	692,552
Magalies Water		0	0	8,040
Sandspruit: Department of Water Affairs and Forestry		0	2,273,220	0
Provincial Health Subsidies	22,669,000	21,498,600	22,669,000	21,498,600
Provincial Ambulance Subsidy	35,079,283	31,199,756	35,079,283	31,199,756
National Safety Grant	0	418,718	0	418,718
Provincial motor vehicle licences refund	66,191,344	58,252,483	66,191,344	58,252,483
Capex: Grants and donations	467,680,281	317,833,940	467,680,281	317,833,940
Opex: Grants and donations	24,371,883	3,471,779	24,371,883	3,471,779
Finance Management Grant	698,715	2,117,862	698,715	2,117,862
Restructuring Grant	52,227,861	48,371,166	52,227,861	48,371,166
Municipal Systems Infrastructure Grant	2,501,600	2,000,000	2,501,600	2,000,000
DWAF Grant (parent)	18,789,823	14,264,950	18,789,823	14,264,950
Top Structure Grants	125,601,978	39,014,522	125,601,978	39,014,522
RTWST Grant	0	25,000,000	0	0
Ntsika	0	0	0	0
SEDA	0	0	0	0
Total: Government grants and subsidies	1,917,227,861	1,566,093,641	1,919,501,081	1,541,794,233

21.1 Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigent households receive a monthly subsidy, which is funded from this grant.

Total amount of equitable share received	1,101,416,093	1,002,649,865	1,101,416,093	1,002,649,865
Monthly grant received by all registered indigents	148	168	148	168

21.2 Provincial Health Subsidies

Balance unspent at the beginning of the year	0	0	0	0
Current year receipts (included in Public Health Vote)	22,669,000	21,498,600	22,669,000	21,498,600
Conditions met (transferred to revenue)	(22,669,000)	(21,498,600)	(22,669,000)	(21,498,600)
Conditions still to be met (transferred to liabilities, see note 8)	0	0	0	0

The Municipality renders health services on behalf of the provincial government. This grant has been used exclusively to fund clinic services (included in the Social Development Vote in Annexure D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.

Percentage of expenditure incurred refunded = 14,94%

CHAPTER FOUR: Financial Statements

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
21.3 Provincial Ambulance Subsidy				
Balance unspent at the beginning of the year	0	0	0	0
Current year receipts (included in the emergency Medical Services Vote)	35,079,283	31,199,756	35,079,283	31,199,756
Conditions met (transferred to revenue)	(35,079,283)	(31,199,756)	(35,079,283)	(31,199,756)
Conditions still to be met (transferred to liabilities, see note 8)	0	0	0	0

The Municipality renders ambulance services on behalf of the provincial government and is reimbursed. This grant has been used exclusively to fund the rendering of ambulance services (included in the Emergency Medical Services Vote in Annexure D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.

Percentage of expenditure incurred refunded = 64,08%

21.4 MIG				
Balance unspent at the beginning of the year	19,794,905	0	19,794,905	0
Current year receipts	236,438,749	205,944,000	236,438,749	205,944,000
Conditions met (transferred to revenue)	(220,341,029)	(186,149,095)	(220,341,029)	(186,149,095)
Conditions still to be met (transferred to liabilities, see note 8)	35,892,625	19,794,905	35,892,625	19,794,905

This grant is used to construct roads and sewerage infrastructure as part of the capital expenditure (included in the Roads and Sewerage Votes in Annexure B). No funds have been withheld.

21.5 Finance Management Grant				
Balance unspent at the beginning of the year	1,503,403	3,121,266	1,503,403	3,121,266
Current year receipts	500,000	500,000	500,000	500,000
Conditions met (transferred to revenue)	(698,716)	(2,117,863)	(698,716)	(2,117,863)
Conditions still to be met (transferred to liabilities, see note 8)	1,304,687	1,503,403	1,304,687	1,503,403

This grant is funded by National Treasury to assist local government pilot municipalities with financial management and budget reforms, as part of the National Reform Programme. No funds have been withheld.

21.6 Municipal System Improvement Grant				
Balance unspent at the beginning of the year	3,000,000	5,000,000	3,000,000	5,000,000
Current year receipts	0	0	0	0
Conditions met (transferred to revenue)	(2,501,600)	(2,000,000)	(2,501,600)	(2,000,000)
Conditions still to be met (transferred to liabilities, see note 8)	498,400	3,000,000	498,400	3,000,000

This grant is used to assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required by the Local Government: Municipal Systems Act, 2000. No funds have been withheld.

21.7 Restructuring Grant				
Balance unspent at the beginning of the year	78,921,695	102,292,860	78,921,695	102,292,860
Current year receipts	150,000,000	25,000,000	150,000,000	25,000,000
Conditions met (transferred to revenue)	(142,135,589)	(48,371,165)	(142,135,589)	(48,371,165)
Conditions still to be met (transferred to liabilities, see note 8)	86,786,106	78,921,695	86,786,106	78,921,695

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R

This grant is funded by National Treasury to assist local government pilot municipalities with institutional, financial and economic restructuring in line with the City Development Strategy, which is aligned to the national government's development strategy. No funds were withheld.

21.8 Department of Water Affairs and Forestry

Balance unspent at the beginning of the year	22,391,328	13,990,911	22,391,328	13,990,911
Current year receipts	21,092,500	22,399,000	21,092,500	23,091,552
Conditions met (transferred to revenue)	(43,483,828)	(13,998,583)	(43,483,828)	(14,691,135)
Conditions still to be met (transferred to liabilities, see note 8)	0	22,391,328	0	22,391,328

This grant was received for the supply of water services for community upliftment.

21.9 City of Tshwane Metropolitan Municipality (Housing Company)

Balance unspent at the beginning of the year	0	0
Current year receipts	117,439	156,444
Conditions met (transferred to revenue)	(117,439)	(156,444)
Conditions still to be met (transferred to liabilities, see note 8)	0	0

This grant was received for the administration and operation of Housing Company Tshwane.

21.1 Magalies Water

Balance unspent at the beginning of the year	0	0
Current year receipts	0	8,040
Conditions met (transferred to revenue)	0	(8,040)
Conditions still to be met (transferred to liabilities, see note 8)	0	0

This grant was received for the installation of water for communal benefit.

21.11 Sandpruit: Department of Water Affairs and Forestry

Balance unspent at the beginning of the year	0	0
Current year receipts	2,273,220	15,921,068
Conditions met (transferred to revenue)	(2,273,220)	(15,921,068)
Conditions still to be met (transferred to liabilities, see note 8)	0	0

This grant was received for the refurbishment at Klipgat and Temba Waste Water Treatment Plants.

21.12 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, 2007 (Act 1 of 2007), no significant changes in the level of government grant funding are expected in the next three financial years.

CHAPTER FOUR: Financial Statements

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
22 Other Income				
Drain-cleaning fees	1,211,910	1,211,073	1,211,910	1,211,073
Reconnections fees	64,805,089	62,458,097	64,805,089	62,458,097
Sewerage fees: Industrial effluent	19,763,957	19,071,458	19,763,957	19,071,458
Interest on housing sales	0	0	0	0
Interest on property sales	5,107,253	3,534,827	5,107,253	3,534,827
Reminder fees	9,400,900	12,816,235	9,400,900	12,816,235
Ambulance fees	5,594,646	3,048,946	5,594,646	3,048,946
Airside income	3,154,100	2,405,526	3,154,100	2,405,526
Connection fees: Urban areas	8,164,438	7,136,538	8,164,438	7,136,538
Cemetery fees	5,016,915	3,662,486	5,016,915	3,662,486
Fees for relaxation of building line	1,641,185	2,249,467	1,641,185	2,249,467
Building plan fees	34,139,148	37,801,683	34,139,148	37,801,683
Library fines	1,051,969	1,091,704	1,051,969	1,091,704
Restaurant sales	1,164,367	1,590,920	1,164,367	1,590,920
Sundry fees	4,517,334	4,492,746	4,517,334	4,492,746
Sundry services	12,659,014	18,518,735	12,659,014	18,518,735
Income from grave services	4,266,198	3,861,237	4,266,198	3,861,237
Application fees	3,927,229	3,967,200	3,927,229	3,967,200
Connection fees	16,220,728	22,789,593	16,220,728	22,789,593
Approval fees: Advertisements	24,761,792	18,071,202	24,761,792	18,071,202
Discount on prompt payments	14,195,991	18,986,536	14,195,991	18,986,536
Market fees	70,793,414	58,483,778	70,793,414	58,483,778
Lodging fees	1,145,624	1,289,166	1,145,624	1,289,166
Parking fees: Vehicles	2,914,839	2,666,683	2,914,839	2,666,683
Training fees recovered	7,622,163	8,927,123	7,622,163	8,927,123
Dumping fees	13,995,089	13,155,331	13,995,089	13,155,331
Income from bulk containers	24,007,366	26,939,459	24,007,366	26,939,459
Sale of livestock	2,891	15,888	2,891	15,888
Sale of stone	6,685,746	3,474,334	6,685,746	3,474,334
Sale of unusable stock	3,953,857	4,656,164	3,953,857	4,656,164
Sales: Aeroplane fuel	29,155,543	16,402,250	29,155,543	16,402,250
Transport fees	45,956,506	44,180,382	45,956,506	44,180,382
Capital income recovered: Insurance claims	2,347,901	475,510	2,347,901	475,510
Claims recovered: Compensation Commissioner	13,553,858	12,606,126	13,553,858	12,606,126
Bad debt recovered	23,248,755	22,625	23,248,755	22,625
Land sales	3,135,084	43,869,372	3,135,084	43,869,372
Miscellaneous	53,535,300	24,901,152	202,219,395	119,972,699
Total: Other income	542,818,099	510,831,552	691,502,194	605,903,099

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
23 Employee-Related Costs				
Salaries and wages	1,672,674,723	1,498,980,113	1,717,065,536	1,532,722,901
Contributions to UIF, pensions and medical aids	495,024,195	515,389,693	495,024,195	515,389,693
Overtime payments	148,420,027	120,883,844	148,420,027	120,883,844
Long-service awards	7,773,287	7,671,604	7,773,287	7,671,604
Travel allowances	178,255,582	170,357,918	178,255,582	170,357,918
Housing benefits and allowances	24,863,274	19,697,494	24,863,274	19,697,494
Performance bonuses	424,329	382,814	424,329	382,814
Other allowances	93,567,426	78,640,892	93,567,426	78,640,892
Total: Employee-related cost	2,621,002,843	2,412,004,372	2,665,393,656	2,445,747,160
Remuneration of the Municipal Manager				
(During 2006/07 the Municipal Manager of the parent was only in office for six months.)				
Annual remuneration	891,165	381,162	891,165	381,162
Performance bonuses	0	65,106	0	65,106
Car allowances	128,400	120,000	128,400	120,000
Medical and pension fund contributions	0	13,860	0	13,860
Total	1,019,565	580,128	1,019,565	580,128
Remuneration of the Chief Financial Officer				
(The CFO of the parent was only appointed on 15 November 2006, and at a lower salary package.)				
Annual remuneration	681,561	476,456	681,561	476,456
Performance bonuses	0	0	0	0
Car allowance	132,000	88,000	132,000	88,000
Medical and pension fund contributions	20,316	13,544	20,316	13,544
Total	833,877	578,000	833,877	578,000
Remuneration of Strategic Executive Directors				
Annual remuneration:				
Technical services	775,056	765,564	775,056	765,564
Corporate services	2,610,872	3,395,889	2,610,872	3,395,889
Community services	2,255,382	3,625,428	2,255,382	3,625,428
Performance bonuses:				
Technical services	0	0	0	0
Corporate services	0	69,594	0	69,594
Community services	0	570,283	0	570,283
Car allowance:				
Technical services	90,000	90,000	90,000	90,000
Corporate services	484,000	549,146	484,000	549,146
Community services	253,914	506,712	253,914	506,712
Medical and pension fund contributions:				
Technical services	0	0	0	0
Corporate services	20,316	35,160	20,316	35,160
Community services	38,272	158,664	38,272	158,664
Total	6,527,812	9,766,440	6,527,812	9,766,440

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
Total:				
Technical services	865,056	855,564	865,056	855,564
Corporate services	3,115,188	4,049,789	3,115,188	4,049,789
Community services	2,547,568	4,861,087	2,547,568	4,861,087
Total: Remuneration of Strategic Executive Directors	6,527,812	9,766,440	6,527,812	9,766,440
24 Remuneration of Councillors				
Mayor's allowance	370,044	294,068	370,044	294,068
Councillors' allowances	27,806,355	30,160,657	27,806,355	30,160,657
Councillors' pension contributions	2,931,804	3,219,512	2,931,804	3,219,512
Travelling allowances	10,633,608	11,532,641	10,633,608	11,532,641
Councillors' medical contributions	810,628	739,170	810,628	739,170
Councillors' housing allowances	1,648,920	0	1,648,920	0
Total: Remuneration of Councillors	44,201,359	45,946,048	44,201,359	45,946,048

In-kind benefits

The Executive Mayor, Speaker and Members of the Mayoral Committee are full-time. Each is provided with an office and secretarial support at the cost of the Municipality. According to the organisational structure of the parent, the Executive Mayor Protection Subsection has seven staff members, of which five are VIP protection officers.

25 Interest Paid

Long-term liabilities	329,835,287	313,550,043	399,560,180	387,188,062
Leases	29,523,804	37,082,547	29,523,804	37,082,547
Bank overdrafts	2,790,579	586,263	2,797,966	586,296
Total: Interest on external borrowings	362,149,670	351,218,853	431,881,950	424,856,905

26 Bulk Purchases

Electricity	1,540,732,190	1,460,232,898	1,541,157,374	1,460,729,587
Water	666,086,020	670,746,363	673,036,319	676,103,249
Total: Bulk purchases	2,206,818,210	2,130,979,261	2,214,193,693	2,136,832,836

27 Grants and Subsidies Paid

Grants-in-aid	1,094,524	1,066,397	1,094,524	1,066,397
Grants-in-aid: Assessment rates	10,490,155	7,325,860	10,490,155	7,325,860
Total: Grants and subsidies paid	11,584,679	8,392,257	11,584,679	8,392,257

Grants-in-aid is are funds allocated to non-governmental organisations involved in empowerment programmes for the following vulnerable groups: the youth, children, women, people with disabilities and the elderly.

By way of a majority decision the Municipality has awarded a grant-in-aid on the assessment rates of rateable properties of the classes referred to in Section 32A of the Local Authorities Rating Ordinance, 1977 (Ordinance 11 of 1977), after the owner of such property has applied to the Municipality in writing for this grant-in-aid.

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
28 General Expenses				
<i>Included in general expenses are the following amounts above R40 million</i>				
Project-linked housing: Top structures	125,601,978	134,903,365	125,601,978	134,903,365
Rental of property, plant and equipment	158,269,883	106,333,883	158,269,883	106,333,883
Household refuse removal	51,225,642	96,024,704	51,225,642	96,024,704
Electricity disconnections	41,664,038	33,928,641	41,664,038	33,928,641
Service providers	74,036,441	76,976,217	74,036,441	76,976,217
Insurance premiums and excesses	50,992,065	65,634,075	50,992,065	65,634,075
Telecommunication	67,798,767	60,019,644	67,798,767	60,019,644
Private sector labour	89,007,286	58,427,175	89,007,286	58,427,175
Special projects	57,324,522	53,149,572	57,324,522	53,149,572
Restructuring/transformation	53,088,532	48,371,166	53,088,532	48,371,166
Rental of property	70,359,518	47,980,620	70,359,518	47,980,620
Watchmen services	80,157,450	45,734,451	80,157,450	45,734,451
Implementation: OITPS	43,965,459	42,983,067	43,965,459	42,983,067
Other	1,240,862,309	860,325,714	1,351,654,085	954,499,485
Total: General expenses	2,204,353,890	1,730,792,294	2,315,145,666	1,824,966,065

29 Cash Generated by Operations

Net surplus for the year	857,443,191	312,924,499	813,826,739	243,140,254
Adjustment for:				
Prior-year adjustments		(22,976,036)	3,776,564	(22,976,036)
Prior-year adjustments: Property, plant and equipment			(2,540,304)	
Depreciation	542,316,164	628,929,878	581,372,889	668,719,807
Depreciation corrections		0	1,425,219	0
Gain on the disposal of property, plant and equipment	(4,936,900)	(20,915,400)	(4,936,900)	(20,915,400)
Contribution to Provision for the Rehabilitation of Quarries	18,061,985	0	18,061,985	0
Contribution to Provision for the Rehabilitation of Landfill Sites	63,360,000	0	63,360,000	0
Contribution to Provision for Clearing up Alien Vegetation	526,315	6,292,554	526,315	6,292,554
Expenditure: Provision for Clearing up Alien Vegetation	0	(3,898,629)	0	(3,898,629)
Contribution to bad debt provision	179,914,389	106,752,294	237,195,408	20,894,086
Transfer to reserves			0	101,059
Liquidation of municipal entity		0	0	825,151
Investment income	(135,554,608)	(134,186,955)	(158,014,824)	(154,277,171)
Interest paid	362,149,670	351,218,853	431,881,950	424,856,905
Operating surplus before working capital changes:	1,883,280,208	1,224,141,058	1,985,935,041	1,162,762,580
Decrease/(increase) in inventories	(50,658,221)	(57,478,614)	(23,180,928)	(84,990,324)
(Increase)/decrease in debtors	(381,671,331)	(109,337,219)	(437,733,084)	(4,419,700)
(Increase)/decrease in other debtors	52,851,814	(15,144,431)	41,913,643	43,912,168
(Decrease)/increase in conditional grants and receipts	123,901,202	34,491,069	128,184,154	34,491,069
Increase/(decrease) in provisions	0	0	(1,536,192)	(2,141,063)
Increase/(decrease) in creditors	(79,984,608)	162,644,178	(134,258,233)	163,576,123
Increase/(decrease) in VAT	46,166,365	(108,567,906)	52,450,080	(128,542,405)
Cash generated from operations	1,593,885,429	1,130,748,135	1,611,774,481	1,184,648,448

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R

30 Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statement are shown in the following statement of amounts indicating financial position:

Bank balances and cash	43,235,693	69,349,269	214,262,992	261,100,667
Call investment deposits	235,135,631	558,674,497	272,462,172	614,937,475
Bank overdraft	(106,407,370)	(46,002,138)	(106,407,370)	(45,996,478)
Total: Cash and cash equivalents	171,963,954	582,021,628	380,317,794	830,041,664

31 Use of Long-term Liabilities Reconciliation

Long-term liabilities (see note 2)	2,878,344,490	2,834,595,467	2,878,344,490	2,834,595,467
Used to finance property, plant and equipment – at cost	3,474,287,272	2,717,572,357	3,474,287,272	2,717,572,357
Subtotal	(595,942,782)	117,023,110	(595,942,782)	117,023,110
Cash set aside for the repayment of long-term liabilities	568,644,654	634,478,486	568,644,654	634,478,486
Cash invested for the repayment of long-term liabilities (see note 17)	(1,164,587,436)	(517,455,376)	(1,164,587,436)	(517,455,376)

Long-term liabilities have been used in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to repay long-term liabilities on their redemption date.

Included in the amount used to finance PPE (R3 501 258 960) is temporary advances (R761 199 084), which were temporarily financed out of revenue in expectation of the receipt of external loans over the year end.

32 Additional Disclosures in terms of the Municipal Finance Management Act

32.1 Contributions to organised local government

Opening balance	78,729	69,522	78,729	69,522
Council subscriptions	1,006,419	935,819	1,006,419	935,819
Amount paid – current year	(1,006,419)	(857,090)	(1,006,419)	(857,090)
Amount paid – previous years	(78,729)	(69,522)	(78,729)	(69,522)
Balance unpaid (included in creditors)	0	78,729	0	78,729

32.2 Audit fees

Opening balance	1,811,162	0	1,886,162	(14,053)
Current year audit fee	8,381,197	8,692,761	8,693,672	7,753,195
Amount paid – current year	(6,518,057)	(6,881,599)	(6,830,532)	(5,942,033)
Amount paid – previous years	(1,811,162)	0	(1,886,162)	14,053
Balance unpaid (included in creditors)	1,863,140	1,811,162	1,863,140	1,811,162

The balance is with regard to the previous financial year and was paid in the next financial year.

32.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 9.

All VAT returns have been submitted by the due date throughout the financial year.

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
32.4 PAYE and UIF				
Opening balance	28,010,798	25,601,727	28,012,016	25,601,727
Current year payroll deductions	355,353,962	330,757,910	360,353,795	353,550,300
Amount paid – current year	(325,358,372)	(302,747,115)	(330,195,695)	(325,538,287)
Amount paid – previous years	(28,010,795)	(25,601,727)	(28,012,013)	(25,601,727)
Balance unpaid (included in creditors)	29,995,593	28,010,795	30,158,103	28,012,013
32.5 Pension and medical aid deductions				
Opening balance	0	0	0	0
Current year payroll deductions and Council contributions	698,773,018	646,873,547	698,773,018	646,873,547
Amount paid – current year	(698,773,018)	(646,873,547)	(698,773,018)	(646,873,547)
Amount paid – previous years	0	0	0	0
Balance unpaid (included in creditors)	0	0	0	0
32.6 Councillor's arrear consumer accounts				
Amounts outstanding for more than 90 days				
Aucamp, MGW	0	6,872	0	6,872
Blaauw, MP	0	8,585	0	8,585
Buthelezi, MM	59,636	48,779	59,636	48,779
Dzumba, KY	11,466	12,741	11,466	12,741
Dichabe, MM	112	0	112	0
Dlamini, SS	274	0	274	0
Hoseka, NP	2,882	0	2,882	0
Huma, SE	1,546	0	1,546	0
Kekana, KC	0	848	0	848
Kgashane, S	0	27,159	0	27,159
Kwenda, LH	0	179	0	179
Ledwaba, DC	5,278	3,694	5,278	3,694
Lehobye, MJ	315	0	315	0
Linde, E	921	0	921	0
Majeng, MJ	288	0	288	0
Maluleka, EM and HW	1,295	0	1,295	0
Makola, MA	0	11,325	0	11,325
Moagi, CM	0	1,527	0	1,527
Moagi, TS	1,772	0	1,772	0
Modumaela, BE	4,342	0	4,342	0
Mogaladi, MJ	103	214	103	214
Morudi, MS	21,936	4,754	21,936	4,754
Mthetwa, D	0	4,724	0	4,724
Naid, AT	0	304	0	304
Naiker, SS	1,144	0	1,144	0
Ndoko, EN	0	506	0	506
Nkwashu, CS	1,754	0	1,754	0
Nkwashu, MS	0	332	0	332
Ramokgopa, KD	0	5,786	0	5,786
Segabutla, LO	112	684	112	684
Seoketsa, G	0	27,750	0	27,750
Total	115,176	166,763	115,176	166,763

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
<i>Councillors with Payoff Arrangements</i>				
Campbell, AW	0	1,426	0	1,426
Dzumba, KY	0	1,566	0	1,566
Feldman, JD	0	23,678	0	23,678
Huma, SE	0	5,727	0	5,727
Kutumela, J	0	5,293	0	5,293
Kutumela, MJ	0	2,141	0	2,141
Lepati, MA	9,276	0	9,276	0
Mamabolo, CS	5,596	6,714	5,596	6,714
Mokgalapa, S and BP	2,729	0	2,729	0
Matjokane, NY	0	57,198	0	57,198
Morudi, MS	0	9,470	0	9,470
Mithetwa, D	10,000	3,728	10,000	3,728
Rambau, TV	4,900	3,605	4,900	3,605
Ramokgopa, GM	0	832	0	832
Segabutla, LO	0	520	0	520
Seoketsa, G	30,914	0	30,914	0
Swarts, AP	2,575	1,664	2,575	1,664
Theron, DP	0	5,260	0	5,260
Thipe, SS	0	3,037	0	3,037
Thobejane, PTM	0	2,457	0	2,457
Thipe, J	2,312	0	2,312	0
Total	68,302	134,316	68,302	134,316
<i>Total Amount Outstanding</i>				
Aucamp, MGW	0	6,872	0	6,872
Blaauw, MP	0	8,585	0	8,585
Buthlezi, MM	59,636	48,779	59,636	48,779
Campbell, AW	0	1,426	0	1,426
Dlamini, SS	274	0	274	0
Dichabe, MM	112	0	112	0
Dzumba, KY	11,466	14,307	11,466	14,307
Feldman, JD	0	23,678	0	23,678
Hoseka, NP	2,882	0	2,882	0
Huma, SE	1,546	5,727	1,546	5,727
Kekana, KC	0	848	0	848
Kgashane, S	0	27,159	0	27,159
Kutumela, J	0	5,293	0	5,293
Kutumela, MJ	0	2,141	0	2,141
Kwenda, LH	0	179	0	179
Ledwaba, DC	5,278	3,694	5,278	3,694
Lehobye, MJ	315	0	315	0
Lepati, MA	9,276	0	9,276	0
Linde, E	921	0	921	0
Majeng, MJ	288	0	288	0
Maluleka, EM and HW	1,295	0	1,295	0
Makola, MA	0	11,325	0	11,325

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
Moagi, CM	0	1,527	0	1,527
Moagi, TS	1,772	0	1,772	0
Modumaela, BE	4,342	0	4,342	0
Mogaladi, MJ	103	214	103	214
Morudi, MS	21,936	14,224	21,936	14,224
Mamabolo, CS	5,596	6,714	5,596	6,714
Matjokana, NY	0	57,198	0	57,198
Mokgalapa, S and BP	2,729	0	2,729	0
Mthewa, D	10,000	8,452	10,000	8,452
Naid, AT	0	304	0	304
Naiker, SS	1,144	0	1,144	0
Ndoko, EN	0	505	0	505
Nkwashu, CS	1,754	0	1,754	0
Nkwashu, MS	0	332	0	332
Rambau, TV	4,900	3,605	4,900	3,605
Ramokgopa, GM	0	832	0	832
Ramokgopa, KD	112	5,786	112	5,786
Segabutla, LO	0	1,204	0	1,204
Seoketsa, G	30,914	27,750	30,914	27,750
Swarts, AP	2,575	1,664	2,575	1,664
Theron, DP	0	5,260	0	5,260
Thipe, SS	0	3,037	0	3,037
Thipe, J	2,312	0	2,312	0
Thobejane, PTM	0	2,457	0	2,457
Total arrear consumer accounts	183,478	301,078	183,478	301,078

Information on arrear accounts for more than 90 days of Councillors during the financial year is not available.

33 Capital Commitments

Commitments in respect of capital expenditure (budgeted amounts next financial year):

Approved and contracted for	2,489,482,188	1,940,572,750	2,489,482,188	1,940,572,750
Infrastructure	2,015,657,358	1,489,453,000	2,015,657,358	1,489,453,000
Community	253,603,000	95,012,000	253,603,000	95,012,000
Other	147,150,000	124,847,750	147,150,000	124,847,750
Housing	73,071,830	231,260,000	73,071,830	231,260,000
Approved but not contracted for	672,282,990	375,267,250	672,282,990	375,267,250
Infrastructure	454,306,800	321,887,250	454,306,800	321,887,250
Community	22,045,400	30,900,000	22,045,400	30,900,000
Other	175,930,790	7,480,000	175,930,790	7,480,000
Investment property	0	2,000,000	0	2,000,000
Housing	20,000,000	13,000,000	20,000,000	13,000,000
	3,161,765,178	2,315,840,000	3,161,765,178	2,315,840,000

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
<i>This expenditure will be financed from:</i>				
The Municipality's own funding (external loans and/or Capital Replacement Reserve)	2,138,968,400	1,516,940,000	2,138,968,400	1,516,940,000
• Capital Replacement Reserve	61,315,790	0		
• Provincial grants	26,070,000	223,610,000	26,070,000	223,610,000
• Government housing	84,321,988	303,782,000	84,321,988	303,782,000
• PTIS	501,654,000	0		
• MIG	288,935,000	234,108,000	288,935,000	234,108,000
• National Electrification Fund	60,500,000	37,400,000	60,500,000	37,400,000
	3,161,765,178	2,315,840,000	2,598,795,388	2,315,840,000

34. Retirement Benefit Information

34.1 Pension Funds

Most employees of the Municipality are members of one of the following funds and those who are not, are paid a lump-sum gratuity at retirement age. The Municipality's contributions to these funds are reflected as a charge against income in the financial statements.

Defined Contribution Plans (as classified by the relevant Fund)

34.1.1 The Tshwane Municipal Provident Fund is a defined contribution plan and subject to the Pension Funds Act of 1956. The fund is not required to be actuarially valued. No benefits can be unfunded and the Municipality therefore has no commitment in this regard. A total of 2 276 (18,83%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:

87,684,898	78,931,464	87,684,898	78,931,464
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34.1.2 The Councillors of the City of Tshwane Metropolitan Municipality are members of the Pension Fund for Municipal Councillors, which is a defined contribution fund and governed by the Pension Funds Act, 1956. The fund was established in 1988. The actuarial valuation carried out on 30 June 2006 reported the fund to be in a sound financial position. A total of 109 (0,952%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:

5,531,174	6,114,079	5,351,174	6,114,079
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34.1.3 The National Fund for Municipal Workers is a defined contribution plan and there are no statutory requirements to do an actuarial valuation. The Municipality has no commitment to finance any deficit. The latest voluntary actuarial valuation as at 30 June 2005 reported the fund to be in a sound financial position. A total of 3 112 (27,12%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:

143,286,240	134,875,445	143,286,240	134,875,445
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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
<p>34.1.4 The SALA Provident Fund is a defined contribution plan. An actuarial valuation is carried out every three years. The Municipality has no commitment to finance any deficit. The actuarial valuation performed on 30 June 2004 reported the fund to be financially sound. A total of 94 (0,82%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:</p>	990,670	941,353	990,670	941,353
<p>34.1.5 The Samwu National Provident Fund is a defined contribution fund. The fund is subject to actuarial valuation. The fund is not underwritten. The actuarial valuation performed on 30 June 2006 reported the fund to be in a sound financial position. A total of 958 (8,35%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:</p>	24,682,623	22,739,165	24,682,623	22,739,165
<p>34.1.6 The Germiston Municipal Retirement Fund is a defined contribution plan and is governed by the Pension Funds Act, 1956. Actuarial valuations are performed every three years. The actuarial valuation performed on 30 June 2006 reported the fund to be in a sound financial position. One (0,00%) of the Municipality's employees is a member of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to –</p>	63,513	163,310	63,513	163,310
<p>34.1.7 The Meshawu National Local Authorities Retirement Fund is a defined contribution plan (established on 1 August 1996) and is governed by the Pension Funds Act, 1956. The actuarial valuation done on 31 January 2001 reported the fund to be in a sound financial position with a funding level of 118,8%. A total of 60 (0,55%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:</p>	1,266,225	1,187,310	1,266,225	1,187,310
<p>34.1.8 The Municipal Gratuity Fund is a defined contribution plan which is governed by the Pension Funds Act, 1956. The Municipality has no commitment to meet unfunded benefits. The actuarial valuation is carried out every two years. The actuarial valuation done on 30 June 2004 showed the fund to be in a sound financial position. A total of 1 408 (112,26%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:</p>	50,573,279	47,420,095	50,573,279	47,420,095

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
<p>34.1.9 The Tshwane Municipal Pension Fund is a defined benefit plan and is governed by the Pension Funds Act, 1956. The consulting actuaries reported that the fund was in a sound financial position with a funding level of 100% as at 31 December 2006. A total of 433 (3,77%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:</p>	22,425,591	22,327,388	22,425,591	22,327,388
<p>34.1.10 The SALA Pension Fund is a private fund. The actuarial valuation has been carried out annually since 1 July 1998. The actuarial valuation performed on 1 July 2004 showed an unfunded liability of R516,62 million (81,9% funding level). The Municipality's employees make up about 5,4% of the total membership and therefore the Municipality's possible liability with regard to the unfunded liability is calculated at R28 104 128. A total of 970 (8,45%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:</p>	25,698,482	24,348,071	25,698,482	24,348,071
<p>34.1.11 The Government Employees Pension Fund is a defined benefit plan and is governed by the Government Employees Pension Fund Law, 1996, in terms of Proclamation 21 of 19 April 1996. Actuarial valuations are performed every three years. The actuarial valuation performed on 31 March 2004 reported the fund to be in a sound financial position with a funding level of 96,5%. A total of 46 (1,78%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:</p>	5,042,778	4,831,406	5,042,778	4,831,406
<p>34.1.12 The Joint Municipal Pension Fund is a hybrid fund (which has qualities of both a defined benefit and defined contribution fund) and is governed by the Pension Funds Act, 1956. Actuarial valuations are performed every three years. The actuarial valuation performed on 31 December 2005 reported a funding level of 97,7%, resulting in a shortfall of R44,237 million. The Municipality's employees make up about 1,78% of the total membership. The Municipality's possible liability with regard to unfunded benefits is calculated to be R4 737 363. A total of 56 (0,483%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:</p>	3,171,218	3,258,823	3,171,218	3,258,823

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
<p>34.1.13 The Municipal Employees Pension Fund is a defined benefit plan and is governed by the Pension Funds Act, 1956. The actuarial valuation performed on 28 February 2005 reported the fund to be in a sound financial position with a funding level of 106,9%. A total of 1 796 (15,64%) of the Municipality's employees are members of this fund. The total contributions, which are in terms of the rules of the plan (included in Employee remuneration, note 23) amount to:</p>	42,410,036	40,958,555	42,410,036	40,958,555
<p>34.2 Medical Aid Funds</p> <p>The former City Council of Pretoria and Town Council of Centurion resolved to continue subsidising employees who retire while being members of Global Health and Munimed respectively. This liability was confirmed by the section 12 notice in terms of the Structures Act, 1998. The liability only applies to employees from these two former councils who retire as members of the undermentioned medical schemes. The total contributions are included in Employee remuneration, note 23).</p>	29,049,392	29,488,485	29,049,392	29,488,485
Keyhealth (on 1 January 2008 Global Health and Munimed became Keyhealth)	28,925,636	29,488,485	28,925,636	29,488,485
Bonitas	79,265		79,265	
Hosmed	24,235		24,235	
Medihelp	20,256	0	20,256	0
TOTAL: CONTRIBUTIONS (included in Employee remuneration, note 23)	441,876,119	417,584,949	441,696,119	417,584,949
35 Contingent Liabilities				
35.1 Housing Loans				
Guarantees for housing loans to employees at financial institutions	2,023,797	2,237,322	2,023,797	2,237,322
Since the implementation of the MFMA, no new guarantees have been issued. The liability will therefore decrease in future. The property is used as collateral in cases of default on payments.				
35.2 Indemnification				
Value of investments ceded to the Workmen's Compensation Commissioner in compliance with the requirements of the Compensation for Occupational Injuries and Diseases Act, 1993	32,996,015	24,357,428	32,996,015	24,357,428
The capitalised value as at 31 December 2006 as calculated by the Department of Labour amounted to:	32,996,015	27,392,475	32,996,015	27,392,475

Consistent with previous years, the amendment to the cession will be addressed in the following financial year:

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
35.3 Insurance Claims				
Pending claims against the Municipality in respect of vehicle accidents and public liabilities which originated before 30 June	57,139,428	61,382,669	57,139,428	61,382,669

The payment of claims against the City of Tshwane is provided for in the Self-insurance Reserve, which has a balance of R128,6 million.

35.4 Retirement of Redundant Employees

The retirement of redundant employees resulted in the following estimated long-term liabilities (these liabilities are budgeted for annually):

*Pension fund contribution with regard to all employees who received packages and who qualify for a monthly pension up to the approved age of retirement.	63,603,000	69,995,000	63,603,000	69,995,000
*Sick fund contribution payable to Pretmed with regard to all employees who received packages and who are deemed to be full members of the fund up to the approved age of retirement.	46,102,000	44,593,000	46,102,000	44,593,000

35.5 Enterprise South Africa (section 21 company)

The company failed to register for VAT when it was founded in 1999. The company will be liable for output VAT of about R1 013 000, excluding possible interest and penalties. The company will be able to claim input tax on its qualifying expenses, but the amount cannot be determined at this time (the saving as a result of the input tax will not be significant).

36 In-Kind Donations and Assistance

The Municipality received the following in-kind donations and assistance:

Description:

Secondment of International Finance Adviser by National Treasury. These advisers were recalled with effect from the end of May 2008.

37 Public-Private Partnerships

The City of Tshwane had only one such partnership, ie Tswaing Electrical Project (Pty) Ltd. The liquidation of this company was started during the 2004/05 financial year. The liquidation process was finalised during 2005/06.

38. Events after the Reporting Period

No material events occurred with respect to the 2006/07 financial year.

38.1 External loans

DBSA: Loan at 11,315% over 20 years	200,000,000	200,000,000
DBSA: Loan at 6,25% over 20 years	50,000,000	50,000,000
	250,000,000	250,000,000

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
38.2 Investments				
Absa call investment at 11,55%	49,000,000		49,000,000	
Investec call investment at 11,50%	49,000,000		49,000,000	
Nedcor call investment at 11,65%	49,000,000		49,000,000	
RMB call investment at 11,50% to 11,00%	49,000,000		49,000,000	
Stanlib call investment in respect of Contingency Insurance Fund	169,020,600		169,020,600	
	<u>365,020,600</u>		<u>365,020,600</u>	
38.3 Short-term loan				
Absa short-term loan at 13,85%	84,000,000		84,000,000	
	<u>84,000,000</u>		<u>84,000,000</u>	
38.4 Roodeplaat/Temba Water Services Trust (RTWST)				
Loans taken over from 1 July 2008 with the disestablishment of the trust	518,067,525		518,067,525	
	<u>518,067,525</u>		<u>518,067,525</u>	

39 Comparison with the Budget

The comparison of the actual financial performance with that budgeted is set out in Annexures E, F and G.

40 Directors' Emoluments

40.1 Civirelo Water

Paid by company for services as directors	678,212	521,850
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41 Related-Party Disclosures

41.1 Parent

The following municipal entities were under the control of the former/disestablished municipalities. The City of Tshwane Metropolitan Municipality became the parent municipality on 5 December 2000 as a result of the successor-in-law principle.

41.1.1 Transactions between related parties

Civirelo Water's parent is the City of Tshwane. Details and amounts of the transactions are as follows:

Gauteng Housing via City of Tshwane	975,800	0	975,800	0
Creditors	20,000	1,860,802	20,000	1,860,802
Water sales	0	40,976,503	0	40,976,503

Housing Company Tshwane's parent is the City of Tshwane. Details and amounts of the transactions are as follows:

Sundry debtors (unpaid reimbursement budgeted amounts)	128,604	0	128,604	0
Received electricity and water sales and rates and taxes	490,482	562,558	490,482	562,558
Paid general expenses	117,439	156,444	117,439	156,444

Roodeplaat Temba Water Services Trust's parent is the City of Tshwane. Details and amounts of the transactions are as follows:

Paid water (water sales to the City of Tshwane)	101,413,208	104,212,872	101,413,208	104,212,872
Beneficiary distribution	0	25,000,000	0	25,000,000
Interest – finance lease	3,283,804	4,718,102	3,283,804	4,718,102
Lease charges	704,630	475,727	704,630	475,727

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DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R

Roodeplaat Temba Water Services Trust's parent is the City of Tshwane. Details and amounts of the transactions are as follows (continued):

Accounts receivable	14,120,965	12,149,142	14,120,965	12,149,142
Accounts payable	0	4,112,185	0	4,112,185
Deferred operating lease liabilities	2,078,122	1,873,039	2,078,122	1,873,039
Finance lease liabilities	25,976,434	28,113,989	25,976,434	28,113,989

Roodeplaat Temba Water Services Trust: Transactions with Magalies Water

Production overheads, accounts payable, accounts receivable, etc			0	34,383,373
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Roodeplaat Temba Water Services Trust: Transactions with Absa Corporate and Merchant Bank

Interest received			0	13,636,652
Interest paid			0	30,442,816
Bank charges			0	1,165,444
Capitalised interest/accrued interest			0	0
Long-term loan			0	234,079,776

Sandspruit Works Association Division: ODI Water Sales' parent is the City of Tshwane. Details and amounts of the transactions are as follows:

Outstanding payments in respect of water and electricity	108,207	0	108,207	0
Bulk containers	5,007	0	5,007	0
DWAF subsidy paid to Sandspruit	11,937,780	0	11,937,780	0
Paid water	49,206,105	50,983,935	49,206,105	50,983,935
Sundry creditor (water)	2,353,438	0	2,353,438	0
Received water	34,675,380	20,382,060	34,675,380	20,382,060
Operating loss account	3,001,199	4,112,685	3,001,199	4,112,685

Trade Point Pretoria's parent is the City of Tshwane. No related-party transactions occurred.

The City of Tshwane is the parent of the Tshwane Centre for Business Information and Support (Cenbis). No related-party transactions occurred.

Enterprise South Africa's parent is the City of Tshwane. No related-party transactions occurred.

42 Prior-Year Adjustments (see Statement of Changes of Parent)

Revenue of the 2005/06 financial year was adjusted in respect of:

RSC levies – increase in revenue and debtor creation		160,950,691	0	160,950,691
Training fees recovered amount only allocated to revenue in 2006/07 but received in 2005/06		1,711,273	0	1,711,273
Write-back of the provision for obsolete stock		2,900,000	0	2,900,000
Total prior-year adjustment in respect of 2005/06 done in 2006/07	0	165,561,964	0	165,561,964

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R
<i>Expenditure of the 2006/07 financial year was restated in respect of:</i>				
Reclassification of operating leases to finance leases	-99,848,247		-99,848,247	
Write-back of interest on long-term debtors	35,821,377		35,821,377	
Prepaid electricity sales in respect of 2006/07 posted in 2007/08	-9,872,540		-9,872,540	
Depreciation of leased assets	70,358,385		70,358,385	
Interest on lease liabilities	37,082,548		37,082,548	
Restatement of threshold assets (net of depreciation and reversal of expense to assets)	-7,170,357		-7,170,357	
Municipal entities: Audit adjustments			3,776,566	
Total prior-year adjustment in respect of 2006/07	26,371,166		30,147,732	
<i>Restatement of Statement of Financial Position</i>				
Accounting for lease assets (brought in for the first time in 2007/08, but restated 2006/07)	261,396,192	204,827,481	261,396,192	204,827,481

43 Operating Leases – Non-Cancellable

The amounts of minimum lease payments under non-cancellable operating leases in respect of photocopier equipment are as follows for:

* The next year	5,497,215	4,870,119	5,497,215	4,870,119
* Years 2 through 5 combined	3,078,233	3,090,083	3,078,233	3,090,083
* Beyond five years	0	0	0	0
Total	8,575,448	7,960,202	8,575,448	7,960,202

44 Unauthorised, Irregular, Fruitless and Wasteful Expenditure

44.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:				
Opening balance	0	0	0	0
Unauthorised expenditure in current year	51,175	0	51,175	0
Unauthorised expenditure awaiting authorisation	51,175	Not available	51,175	Not available

Incident 1: Unapproved travelling to Swaziland during November 2007.

Disciplinary steps: A report to obtain approval has been submitted to the City Manager.

Incident 2: Insurance claims not reported in good time and repudiated claims not compliant with procedural deadlines.

Disciplinary steps: Disciplinary actions taken against the relevant employee.

44.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:				
Opening balance	0	0	0	0
Fruitless and wasteful expenditure in current year	1,242,964	0	1,242,964	0
Fruitless and wasteful expenditure awaiting condonation/repayment	1,242,964	Not available	1,242,964	Not available

Incident 1: Theft of laptop which an employee failed to register as an insurance claim for R24 200.

Incident 2: Petty cash – late A Baduza for R756.

DESCRIPTION	MUNICIPALITY		GROUP	
	2008	2007	2008	2007
	R	R	R	R

44.2 Fruitless and wasteful expenditure (continued)

Incident 3: Unauthorised trip to Namibia by Dr M Kruger in the Office of the City Manager.

Incident 4: Supply of fuel to contractor by Housing and Sustainable Human Settlement Development.

Disciplinary steps: Incident 1 – A departmental hearing was held on 27 June 2008. The employee signed admission of guilt and the amount will be deducted from his salary.

Disciplinary steps: Incident 2 – Awaiting approval of a report sent to the Strategic Executive Director to write off this expenditure.

Disciplinary steps: Incident 3 – Awaiting authorisation.

Disciplinary steps: Incident 4 – Investigation underway.

44.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	0	0	0	0
Fruitless and wasteful expenditure in current year	6,980	0	6,980	0
Irregular expenditure awaiting condonation	6,980	Not available	6,980	Not available

Incident: Cash shortage at Premos restaurant. Action/steps: Manager undertook in writing to replace cash shortage.

44.4 Unauthorised expenditure due to late approval of deviation report

General Assessments	212,146,820	0	212,146,820	0
Corporate and Shared Services	43,028,671	0	43,028,671	0
Economic Development	2,218,079	0	2,218,079	0
Agriculture and Environmental Management	202,865,365	0	202,865,365	0

Refer to Annexure F for reasons for deviations.

45 Financial Instruments (only for the Municipality)

45.1 Risks

In the course of the Municipality's business operations it is exposed to interest rate, credit, liquidity and market risk. The Municipality has developed a comprehensive risk management process to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

45.1.1 Interest rate risk

The Municipality manages its interest rate risk by maintaining an appropriate mix between fixed and floating interest rate borrowings and investments, as well as by entering into interest rate swap contracts on outstanding borrowings. The Municipality's exposure to interest rate risk and the effective interest rates on financial instruments at the date of Statement of Financial Position are as follows:

Description	Floating rate	Fixed rate			Non-interest bearing		Total
		Amount	Weighted average effective interest rate	Weighted average period for which rate is fixed	Amount	Weighted average period until maturity	
	R	R	%	Years	R	Years	
Year ended 30 June 2008							
Assets							
Investments	197,926,170	462,762,530	14.21	14.03			660,688,700
Long-term receivables:							0
Housing loans		59,092,140	13.87	30			59,092,140
Motor car loans		2,161,352	8.66	6			2,161,352
Loans to sport clubs		1,689,951	11.99	10			1,689,951
Study loans					13,930		13,930
Sale of land		65,779,894	11.09	5			65,779,894
Trade receivables:							
Consumer		2,471,851,926	14.5	1	1,038,361,586		3,510,213,512
Other					482,784,175		482,784,175
Cash	43,235,693						43,235,693
Total: Financial assets	241,161,863	3,063,337,793			1,521,159,691		4,825,659,347
Liabilities							
Interest-bearing borrowings	162,331,528	2,488,146,829	11	15.48			2,650,478,357
Interest rate swaps		227,866,133	20.51	17.79			227,866,133
Lease liabilities	261,396,192						261,396,192
Trade payables:							
Creditors					1,643,714,421	0.08	1,643,714,421
Retention					96,661,285	1	96,661,285
Consumer deposits					267,978,963	0.08	267,978,963
Unspent grants and receipts					334,892,132	0.08	334,892,132
VAT					104,380,809	0.08	104,380,809
Bank overdrafts	106,407,370						106,407,370
Total: Financial liabilities	530,135,090	2,716,012,962			2,447,627,610		5,693,775,662
	-288,973,227	347,324,831			-926,467,919		-868,116,315
Year ended 30 June 2007							
Assets							
Investments	424,973,396	544,985,009	14.36	13.55			969,958,405
Long-term receivables:							
Housing loans		67,613,043	13.87	30			67,613,043
Motor car loans		8,080,676	8.61	6			8,080,676
Loans to sport clubs		1,729,108	11.99	10			1,729,108
Study loans					15,611	1	15,611
Sale of land		69,882,328	11.09	5			69,882,328
Samrand Develop- ment (Pty) Ltd					18,152,563		18,152,563
Consumer		1,932,654,004	10.5	1	1,213,886,365		3,146,540,369
Other					535,635,989		535,635,989
Cash	69,349,269						69,349,269
Total: Financial assets	494,322,665	2,624,944,168			1,767,690,528		4,886,957,361

Description	Floating rate	Fixed rate			Non-interest bearing		Total
		Amount	Weighted average effective interest rate	Weighted average period for which rate is fixed	Amount	Weighted average period until maturity	
	R	R	%	Years	R	Years	
Liabilities							
Interest-bearing borrowings	192,331,528	2,317,263,939	11.31	15.49			2,509,595,467
Interest rate swaps	125,000,000	200,000,000	19.13	17.79			325,000,000
Lease liabilities	204,827,481						204,827,481
Trade payables:							
Creditors					1,739,968,571	0.08	1,739,968,571
Retention					80,391,743	1	80,391,743
Consumer deposits					257,579,090	0.08	257,579,090
Unspent grants and receipts					210,990,931	0.08	210,990,931
VAT					58,214,444	0.08	58,214,444
Bank overdrafts	46,002,138						46,002,138
Total: Financial liabilities	568,161,147	2,517,263,939			2,347,144,779		5,432,569,865
	-73,838,482	107,680,229			-579,454,251		-545,612,504

45 Interest rate swaps

The Municipality has entered into interest rate swap contracts that entitle it to receive interest at fixed rates/floating rates on notional principal amounts and that oblige it to pay interest at variable rates/fixed rates on the same amounts. The interest rate swaps allow the Municipality to raise long-term borrowings at fixed rates/floating rates and effectively swap them into variable rates/fixed rates in terms of the structured finance contractual requirements.

The estimated fair value gain/(loss) indicated below was determined by comparing the interest rate swap contracted values (fixed rate) with the variable rate paid.

At the date of Statement of Financial Position the Municipality had entered into the following interest rate swaps relating to specific Statement of Financial Position items:

	Date	Fixed rate	Fair value	Estimated fair value gain/(loss)
		%	R	R
Year ended 30 June 2008	30 June 1998 19 January 1994	17.55	125,000,000	9,994,859
		19.13	200,000,000	-15,660,192
			325,000,000	-5,665,333
Year ended 30 June 2007	30 June 1998 19 January 1994	17.55	125,000,000	10,374,232
		19.13	200,000,000	-20,136,827
			325,000,000	-9,762,595

45.1.2 Currency risk

The Municipality undertakes certain transactions in foreign currencies. Therefore exposures to exchange rate fluctuations might arise. However, the Municipality manages this risk by entering into contracts where the risk is carried by the service provider.

45.1.3 Credit risk

Financial assets, which potentially subject the Municipality to the risk of non-performance by counter-parties and thereby subject the Municipality to concentrations of credit risk, consist mainly of trade receivables. Credit risk is controlled through the application of a credit control policy and monitoring procedures. Where necessary, the Municipality obtains appropriate deposits and guarantees from debtors to mitigate risk.

The Municipality limits its treasury counter-party exposure arising from the money market by only dealing with well-established financial institutions confirmed by the rating agency appointed by the Chief Financial Officer. The Municipality only deals with financial institutions with a short-term credit rating of A+ and a long-term credit rating of AA- and higher at an international accredited credit-rating agency. The Municipality's exposure is monitored continuously and the aggregate value of transactions concluded is spread among different types of approved investments and institutions.

Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Municipality's customer base and their dispersion across different industries and geographic areas. The Municipality does not have any significant exposure to any individual customer or counter-party. Therefore the Municipality does not consider there to be any significant concentration of credit risk that had not been adequately provided for. Trade receivables are presented net of the allowance for impairment.

The major concentrations of credit risk that arise from the Municipality's receivables in relation to customer classification are as follows:

	30 June 2008 %	30 June 2007 %
Consumer debtors:		
Household	58.81	55.63
Industrial/commercial	16.70	22.13
National and provincial government	1.23	1.97
Other consumer debtors	11.16	5.73
Other debtors:		
Housing	0.32	0.27
Government subsidies	0.31	0.19
RSC levies	5.03	6.43
Amounts paid in advance	0,00	1.38
Other	6.44	6.27
	100,00	100,00

45.1.4 Liquidity risk

The Municipality manages liquidity risk through proper control of working capital, capital expenditure and actual versus forecast cash flows. Adequate reserves, liquid resources and unused borrowing facilities are also maintained. Capital expenditure, budgeted and forecast cash flow calculations are funded as follows from the capital market:

	30 June 2008	30 June 2009	30 June 2010
	R	R	R
External funding: Capital expenditure	500,000,000	450,000,000	400,000,000

45.1.5 Market risk

The Municipality is exposed to fluctuating market prices inherent in the purchasing of electricity, water and coal used in the delivery of electricity and water services. The Municipality manages this risk by passing any price increases through to consumers annually. An agreement has been entered into with both Eskom and Rand Water that tariff increases occur only once a year.

45.2 Fair values

The Municipality's financial instruments consist mainly of cash and cash equivalents, trade receivables, investments, trade payables, long-term debt and derivative instruments (interest rate swaps).

No financial asset was carried at an amount in excess of its fair value, and fair values could be reliably measured for all financial assets that are available for sale or held for trading.

The following methods and assumptions are used to determine the fair value of each class of financial instrument:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value owing to the relatively short-term maturity of these financial assets and financial liabilities.

Trade receivables (debtors)

The carrying amount of trade receivables, net of provision for impairment (provision for bad debt) approximates fair value owing to the relatively short-term maturity of these financial assets.

Investments

Investments are carried at their original cost in the Statement of Financial Position, except where the interest is received semi-annually and capitalised. The fair value of publicly traded instruments is based on quoted market prices for those investments.

Trade payables

The carrying amount of trade payables approximates fair value owing to the relatively short-term maturity of this financial liability.

Interest-bearing borrowings

After initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Financial Performance over the period of the borrowing on an effective interest basis. The fair value of interest-bearing borrowings with variable interest rates approximates their carrying amounts.

Derivatives (interest rate swaps)

Derivative financial instruments (interest rate swaps) are initially measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates.

The fair value of financial liabilities at the date of Statement of Financial Position are as follows:

Year ended	Fair value	Carrying amount
	R	R
30 June 2008		
<i>Liabilities</i>		
Interest rate swaps	200,000,000	200,000,000
30 June 2007		
<i>Liabilities</i>		
Interest rate swaps	325,000,000	325,000,000

45.3 Maturity profile

The maturity profiles of financial assets and liabilities at the date of Statement of Financial Position are as follows:

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	One year or less	One to five years	Over five years	Total
	R	R	R	R
Year ended 30 June 2008				
Assets				
Investments	235,135,271	354,801,402	70,752,027	660,688,700
Long-term receivables:				
Housing loans			59,092,140	59,092,140
Motor car loans		2,161,952		2,161,952
Loans to sport clubs			1,689,951	1,689,951
Study loans	13,930			13,930
Sale of land		65,779,894		65,779,894
Trade receivables:				
Consumer	3,309,178,466	201,035,046		3,510,213,512
Other	482,784,175			482,784,175
Cash	43,235,693			43,235,693
Total: Financial assets	4,070,347,535	623,778,294	131,534,118	4,825,659,947
Liabilities				
Interest-bearing borrowings	40,635,123	353,495,679	2,284,213,688	2,678,344,490
Interest rate swaps		200,000,000		200,000,000
Lease liabilities	154,231,408	107,164,784		261,396,192
Trade payables:				
Creditors	1,643,714,421			1,643,714,421
Retention	96,661,285			96,661,285
Consumer deposits	267,978,963			267,978,963
Unspent grants and receipts	334,892,132			334,892,132
VAT	104,380,809			104,380,809
Bank overdrafts	106,407,370			106,407,370
Total: Financial liabilities	2,748,901,511	660,660,463	2,284,213,688	5,693,775,662
Year ended 30 June 2007:				
Assets				
Investments	558,674,498	327,427,539	83,856,368	969,958,405
Long-term receivables:				
Housing loans			67,613,043	67,613,043
Motor car loans		8,080,676		8,080,676
Loans to sport clubs			1,729,108	1,729,108
Study loans	15,611			15,611
Sale of land		69,882,328		69,882,328
Samrand Development (Pty) Ltd			18,152,563	18,152,563
Trade receivables:				
Consumer	2,925,944,652	220,595,717		3,146,540,369

	One year or less	One to five years	Over five years	Total
	R	R	R	R
Other	535,635,989			535,635,989
Cash	69,349,269			69,349,269
Total: Financial assets	4,089,620,019	625,986,260	171,351,082	4,886,957,361
Liabilities				
Interest-bearing borrowings	30,005,000	349,612,242	2,129,978,225	2,509,595,467
Interest rate swaps	125,000,000	200,000,000		325,000,000
Lease liabilities	97,124,587	107,702,894		204,827,481
Trade payables:				
Creditors	1,739,968,571			1,739,968,571
Retention	80,391,743			80,391,743
Consumer deposits	257,579,090			257,579,090
Unspent grants and receipts	210,990,931			210,990,931
VAT	58,214,444			58,214,444
Bank overdrafts	46,002,138			46,002,138
Total: Financial liabilities	2,645,276,504	657,315,136	2,129,978,225	5,432,569,865

45.4 Hedging

Hedging is not applicable in the environment of the Municipality.

ANNEXURE A

Schedule of External Loans as at 30 June 2008: Municipality

	Opening balance	Received during the year	Redeemed during the year	Closing balance	Carrying value of property, plant and equipment	Other costs in accordance with the MFMA
	R	R	R	R	R	R
EXTERNAL LOANS:						
LOCAL REGISTERED STOCK:						
Issued	Loan number	Interest rate (%)	Redeemable			
1997	105	16.65	2014.06.30	95,524,901	115,302,720	Not applicable
1993	104	14.15	2008.09.30	40,629,329	49,041,371	
1984	43	16.25	2004.04.30	812	7,015	
1990	55	16.40	2011.06.30	0	17,708,078	
1992	62	13.50	2011.06.30	427,166	25,847,779	
1993	63	14.00	2011.06.30	1,014,364	44,559,825	
1997	65	15.75	2011.06.30	50,000,000	60,352,180	
2000	66	16.50	2011.06.30	59,000,000	71,215,572	
Total Local Registered Stock				318,161,284	384,034,539	
TERM LOANS:						
DBSA: Bullet portion		13.50	2018.04.30	51,724,111	62,433,257	Not applicable
DBSA: Floating rate		Variable	2019.10.31	78,331,528	94,549,569	
Nedbank loan B1		Variable	2008.05.28	0	0	
Absa loan B3		Variable	2011.06.30	84,000,000	101,391,662	
INCA loan		17.15	2011.06.30	45,000,000	54,316,962	
Future syndications		Variable	2008.06.30	0	0	
Absa arbitrage		19.13	2011.10.31	227,866,133	275,044,356	
Total: Term Loans				486,921,772	587,735,805	

	Opening balance	Received during the year	Redeemed during the year	Closing balance	Carrying value of property, plant and equipment	Other costs in accordance with the MFMA
	R	R	R	R	R	R
ANNUITY LOANS:						
DBSA	240,870,346	7,982,838	9,545,225	239,307,959	288,855,138	Not applicable
DBSA local authorities	17,884,911		3,256,607	14,628,304	17,657,001	
DBSA (restructuring)	252,880,861		16,926,776	235,954,085	284,806,866	
INCA	18,217,915		781,919	17,435,996	21,046,007	
INCA	207,266,084	4,784,312	8,554,391	203,496,005	245,628,549	
INCA	46,999,710		1,745,330	45,254,380	54,624,009	
DBSA	266,039,516		15,100,632	250,938,884	302,894,172	
INCA	95,547,071		3,327,019	92,220,052	111,313,623	
INCA	77,688,941		2,544,987	75,143,954	90,702,028	
DBSA	97,296,783		7,157,290	90,139,493	108,802,297	
DBSA	389,281,730		20,006,820	369,274,910	445,730,914	
Ivuzi	196,575,189		7,107,777	189,467,412	228,695,426	
DBSA		50,000,000		50,000,000	60,352,180	
DBSA		200,000,000		200,000,000	241,408,718	
Total: Annuity Loans	1,906,549,057	262,767,150	96,054,773	2,073,261,434	2,502,516,928	
Total: External Loans	2,834,595,467	294,856,326	251,107,303	2,878,344,490	3,474,287,272	
FINANCE LEASES:						
Absa	0	14,157,827	641,760	13,516,067	13,418,190	Not applicable
AMASONDO	95,083,055	11,827,659	32,257,188	74,653,526	69,617,177	
CITY OF TSHWANE	14,124,515	4,537,163	4,672,562	13,989,116	13,606,230	
DATACENTRIX	2,827,464	20,433,200	5,582,330	17,678,334	16,998,761	
DEBIS FLEET MANAGEMENT	16,552,991	1,816,363	5,628,998	12,740,356	12,217,884	
FLEET AFRICA	23,716,140	4,937,354	15,614,851	13,038,643	11,813,111	
IMPERIAL	0	10,892,634	1,719,426	9,173,208	9,012,510	
STANNIC	853,324	97,819	463,673	487,470	392,313	
STANDARD BANK	21,725,602	13,523,878	7,124,827	28,124,653	27,512,587	
VIAMAX	21,019,152	58,351,876	13,900,641	65,470,387	64,284,362	
VUSWA	8,925,238	7,308,609	3,709,415	12,524,432	12,441,386	
Total: Finance Leases	204,827,481	147,884,382	91,315,671	261,396,192	251,314,511	

* Variable linked to prime rate

ANNEXURE A

Schedule of External Loans as at 30 June 2008: Group

	Opening balance	Received during the year	Redeemed during the year	Closing balance	Carrying value of property, plant and equipment	Other costs in accordance with the MFMA
	R	R	R	R	R	R
EXTERNAL LOANS:						
LOCAL REGISTERED STOCK:						
Issued	Loan number	Interest rate (%)	Redeemable			
1997	105	16.65	2014.06.30	95,524,901	115,302,720	Not applicable
1993	104	14.15	2008.09.30	40,629,329	49,041,371	
1984	43	16.25	2004.04.30	812	7,015	
1990	55	16.40	2011.06.30	0	17,708,078	
1992	62	13.50	2011.06.30	427,166	25,847,779	
1993	63	14.00	2011.06.30	1,014,364	44,559,825	
1997	65	15.75	2011.06.30	50,000,000	60,352,180	
2000	66	16.50	2011.06.30	59,000,000	71,215,572	
Total: Local Registered Stock				318,161,284	384,034,540	
TERM LOANS:						
DBSA: Bullet portion		13.50	2018.04.30	51,724,111	62,433,257	Not applicable
DBSA: Floating rate		Variable	2019.10.31	78,331,528	94,549,569	
DBSA (Roodeplaat/Temba Trust)				71,104	88,646,036	
Nedbank loan B1		Variable	2008.05.28	0	0	
Nedbank (Roodeplaat/Temba Trust)				495,890	117,314,541	
Absa loan B3		Variable	2011.06.30	0	101,391,662	
Absa (Roodeplaat/Temba Trust)				720,219	171,703,445	
National Housing Finance Corporation		14.00		0	4,484,943	
Gauteng Partnership Fund		0.00		492,640	293,000	
Rand Water (ODI)		0.00		2,553,373	0	
INCA loan		17.15	2011.06.30	45,000,000	54,316,962	
Future syndications		Variable	2008.06.30	125,000,000	0	
Absa arbitrage		19.13	2011.10.31	27,866,133	275,044,356	
Total: Term Loans				1,009,767,240	970,177,771	
				158,046,013		
				30,877,457		

		Opening bal- ance	Received during the year	Redeemed during the year	Closing bal- ance	Carrying value of prop- erty, plant and equipment	Other costs in accor- dance with the MFMA
		R	R	R	R	R	R
ANNUITY LOANS:							
DBSA	13.5	240,870,346	7,982,838	9,545,225	239,307,959	288,855,138	
DBSA local authorities	13.5	17,884,911		3,256,607	14,628,304	17,657,001	
DBSA (restructuring)	10.87	252,880,861		16,926,776	235,954,085	284,806,866	
INCA	11.66	18,217,915		781,919	17,435,996	21,046,007	Not applicable
INCA	9.52	207,266,084	4,784,312	8,554,391	203,496,005	245,628,549	
INCA	11.01	46,999,710		1,745,330	45,254,380	54,624,009	
DBSA	9.36	266,039,516		15,100,632	250,938,884	302,894,172	
INCA	10.92	95,547,071		3,327,019	92,220,052	111,313,623	
INCA	10.81	77,688,941		2,544,987	75,143,954	90,702,028	
DBSA	5.0	97,296,783	0	7,157,290	90,139,493	108,802,297	
DBSA	9.835	389,281,730	0	20,006,820	369,274,910	445,730,914	
Ivuzi	13.5	196,575,189	0	7,107,777	189,467,412	228,695,426	
DBSA	6.25	0	50,000,000	0	50,000,000	60,352,180	
DBSA	12.81	0	200,000,000	0	200,000,000	241,408,718	
Total: Annuity Loans		1,906,549,057	262,767,150	96,054,773	2,073,261,434	2,502,516,928	
LEASE LIABILITY (Roodeplaat Temba Trust)		27,813,731		27,813,731	0	0	
Total: External Loans		3,387,013,466	296,143,539	281,967,047	3,401,189,958	3,856,729,239	
FINANCE LEASES:							
Absa	Variable *	0	14,157,827	641,760	13,516,067	13,418,190	
AMASONDO	Variable *	95,083,055	11,827,659	32,257,188	74,653,526	69,617,177	
CITY OF TSHWANE	Variable *	14,124,515	4,537,163	4,672,562	13,989,116	13,606,230	
DATA CENTRIX	Variable *	2,827,464	20,433,200	5,582,330	17,678,334	16,998,761	
DEBS FLEET MANAGEMENT	Variable *	16,552,991	1,816,363	5,628,998	12,740,356	12,217,884	
FLEET AFRICA	Variable *	23,716,140	4,937,354	15,614,851	13,038,643	11,813,111	
IMPERIAL	Variable *	0	10,892,634	1,719,426	9,173,208	9,012,510	
STANNIC	Variable *	853,324	97,819	463,673	487,470	392,313	
STANDARD BANK	Variable *	21,725,602	13,523,878	7,124,827	28,124,653	27,512,587	
VIAMAX	Variable *	21,019,152	58,351,876	13,900,641	65,470,387	64,284,362	
VUSWA 60 MONTHS	Variable *	8,925,238	7,308,609	3,709,415	12,524,432	12,441,386	
LEASE LIABILITY (Roodeplaat/Temba Trust)		27,813,731	300,259	3,866,241	24,247,749	13,763,816	
TOTAL: FINANCE LEASES		232,641,212	148,184,641	95,181,912	285,643,941	265,078,327	

* Variable linked to prime rate

ANNEXURE B

Analysis of Property, Plant and Equipment as at 30 June 2008: Municipality

Asset class	Note	Cost/revaluation			Transfers			Accumulated depreciation			Carrying value	
		Opening balance	Additions	Disposals				Opening balance	Additions	Disposals, transfers and adjustments	Closing balance	
		R	R	R	R	R	R	R	R	R	R	R
Infrastructure	9.1											
Assets under construction		1,363,272,045	639,207,766		-948,660,148		0	1,053,819,663	0	0	0	1,053,819,663
Electricity		1,780,446,672	569,451,672	-9,684	0		614,846,210	2,349,888,660	42,351,358	-5,574	657,191,994	1,692,696,666
General		37,685,781	21,106,126	-117,812	0		19,990,726	58,674,095	4,882,395	-102,621	24,770,500	33,903,595
Roads		2,399,351,197	722,677,814	0	0		3,122,029,011	834,684,279	104,441,756	0	939,126,035	2,182,902,976
Water and sanitation		1,755,527,089	562,892,543	-17,592,091	0		2,300,827,541	3,300,827,541	63,807,480	-1,505,280	593,234,117	1,707,593,424
		7,336,282,784	2,515,335,921	-17,719,587	-948,660,148		2,000,453,132	8,885,238,970	215,482,989	-1,613,475	2,214,322,646	6,670,916,324
Community Assets	9.2											
General		988,620,104	145,970,101	0	0		256,297,175	1,134,590,205	41,441,360	0	297,738,535	836,851,670
Assets under construction		35,998,653	8,353,798	0	-29,901,839		0	14,450,612	0	0	0	14,450,612
		1,024,618,757	154,323,899	0	-29,901,839		256,297,175	1,149,040,817	41,441,360	0	297,738,535	851,302,282
Heritage Assets	9.3											
General		3,813,988			0		80,566	3,813,988	38,675	0	119,241	3,694,747
		3,813,988	0	0	0		80,566	3,813,988	38,675	0	119,241	3,694,747
Housing	9.4											
Housing assets		97,812,990	81,746,559	0	0		33,335,511	179,559,549	3,251,201	0	36,586,712	142,972,837
Assets under construction		137,152,916	6,035,290	0	-132,579,480		0	10,608,726	0	0	0	10,608,726
		234,965,906	87,781,849	0	-132,579,480		33,335,511	190,168,275	3,251,201	0	36,586,712	153,581,563
Stock	9.5											
Stock		1,142,732	0	0	0		123,324	1,142,732	0	0	123,324	1,019,408
		1,142,732	0	0	0		123,324	1,142,732	0	0	123,324	1,019,408
Land	9.6											
Land		1,140,397,933	1,104,434	0	0		141,506,169	1,141,502,367	0	0	141,506,169	999,996,198
		1,140,397,933	1,104,434	0	0		141,506,169	1,141,502,367	0	0	141,506,169	999,996,198

Asset class	Note	Cost/revaluation				Accumulated depreciation				Carrying value	
		Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Additions	Disposals, transfers and adjustments	Closing balance	
		R	R	R	R	R	R	R	R	R	R
Buildings	9.7										
Buildings		701,317,311	77,379,357	-67,846	0	778,628,822	284,176,230	71,373,600	-9,091	355,540,739	423,088,083
		701,317,311	77,379,357	-67,846	0	778,628,822	284,176,230	71,373,600	-9,091	355,540,739	423,088,083
Other	9.8										
General Assets under construction		739,261,935	58,863,151	-16,324,792	0	781,800,294	399,728,220	114,431,743	-9,061,339	505,098,624	276,701,670
		69,145,450	64,752,621	0	-46,783,998	87,114,073	0	0	0	0	87,114,073
		808,407,385	123,615,772	-16,324,792	-46,783,998	868,914,367	399,728,220	114,431,743	-9,061,339	505,098,624	363,815,743
Total Property, Plant and Equipment	9.9	11,250,946,796	2,959,541,232	-34,112,225	-1,157,925,465	13,018,450,338	3,115,700,327	446,019,568	-10,683,905	3,551,035,990	9,467,414,348
Investment Property	9.10										
Investment assets		44,792,509	0	0	0	44,792,509	32,841,744	1,497,613	0	34,339,357	10,453,152
		44,792,509	0	0	0	44,792,509	32,841,744	1,497,613	0	34,339,357	10,453,152
Intangible Assets	9.11										
Computer software		125,103,123	33,843,313	0	0	158,946,436	29,743,339	31,168,125	0	60,911,464	98,034,972
		125,103,123	33,843,313	0	0	158,946,436	29,743,339	31,168,125	0	60,911,464	98,034,972
Total	9.12	11,420,842,428	2,993,384,545	-34,112,225	-1,157,925,465	13,222,189,283	3,178,285,410	478,685,306	-10,683,905	3,646,286,811	9,575,902,472

ANNEXURE B

Property, Plant and Equipment as at 30 June: Group

Asset class	Note	Cost/revaluation				Accumulated depreciation				Carrying value	
		Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Additions	Disposals, transfers and adjustments	Closing balance	
		R	R	R	R	R	R	R	R	R	R
Infrastructure	10.1										
Assets under construction		1,363,272,045	639,207,766		-948,660,148	1,053,819,663	0	0	0	0	1,053,819,663
Electricity		1,780,446,672	569,451,672	-9,684	0	2,349,888,660	614,846,210	42,351,358	-5,574	657,191,994	1,692,696,666
General		37,685,781	21,106,126	-117,812	0	58,674,095	19,990,726	4,882,395	-102,621	24,770,500	33,903,595
Roads		2,399,351,197	722,677,814	0	0	3,122,029,011	834,684,279	104,441,756	0	939,126,035	2,182,902,976
Water and sanitation		1,755,527,089	562,892,543	-17,592,091	0	2,300,827,541	530,931,917	63,807,480	-1,505,280	593,234,117	1,707,593,424
Sandspruit Works Association		10,220,251	1,415,118			11,635,369	1,902,251	971,872		2,874,123	8,761,246
		7,346,503,035	2,516,751,039	-17,719,587	-948,660,148	8,896,874,339	2,002,355,383	216,454,861	-1,613,475	2,217,196,769	6,679,677,570
Community Assets	10.2										
General		988,620,104	145,970,101	0	0	1,134,590,205	256,297,175	41,441,360	0	297,738,535	836,851,670
Assets under construction		35,998,653	8,353,798	0	-29,901,839	14,450,612	0	0	0	0	14,450,612
		1,024,618,757	154,323,899	0	-29,901,839	1,149,040,817	256,297,175	41,441,360	0	297,738,535	851,302,282
Heritage Assets	10.3										
General		3,813,988			0	3,813,988	80,566	38,675	0	119,241	3,694,747
		3,813,988	0	0	0	3,813,988	80,566	38,675	0	119,241	3,694,747
Housing	10.4										
Housing assets		97,812,990	81,746,559	0	0	179,559,549	33,335,511	3,251,201	0	36,586,712	142,972,837
Assets under construction		137,152,916	6,035,290	0	-132,579,480	10,608,726	0	0	0	0	10,608,726
		234,965,906	87,781,849	0	-132,579,480	190,168,275	33,335,511	3,251,201	0	36,586,712	153,581,563
Stock	10.5										
Stock		1,142,732	0	0	0	1,142,732	123,324	0	0	123,324	1,019,408
		1,142,732	0	0	0	1,142,732	123,324	0	0	123,324	1,019,408
Land	10.6										
Land		1,140,397,933	1,104,434	0	0	1,141,502,367	141,506,169	0	0	141,506,169	999,996,198
		1,140,397,933	1,104,434	0	0	1,141,502,367	141,506,169	0	0	141,506,169	999,996,198

Asset class	Note	Cost/revaluation				Accumulated depreciation				Carrying value	
		Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Additions	Disposals, transfers and adjustments	Closing balance	
Buildings	10.7										
Buildings		701,317,311	77,379,357	-67,846	0	778,628,822	284,176,230	71,373,600	-9,091	355,540,739	423,088,083
Sandspruit: land and buildings		6,137,715	1,345,493			7,483,208	788,933	172,542		961,475	6,521,733
		707,455,026	78,724,850	-67,846	0	786,112,030	284,965,163	71,546,142	-9,091	356,502,214	429,609,816
Other	10.8										
General		739,261,935	58,863,151	-16,324,792	0	781,800,294	399,728,220	114,431,743	-9,061,339	505,098,624	276,701,670
Assets under construction		69,145,450	64,752,621	0	-46,783,998	87,114,073	0	0	0	0	87,114,073
Cenbis: furniture and equipment		580,824				580,824	550,463			550,463	30,361
Housing Company: equipment and furniture		289,720	83,510		30,963	404,193	213,472	10,968		224,440	179,753
Sandspruit: other equipment		6,862,896	1,798,280			8,661,176	4,493,920	1,260,137		5,754,057	2,907,119
Civirelo: office, IT equipment and software		85,940	50,573		-57,900	78,613	70,100	4,863	-43,425	31,538	47,075
Roodeplaat Temba: work in progress		469,731,512	5,310,960			475,042,472	60,441,242	35,820,093	1,117,115	97,378,450	377,664,022
		1,285,958,277	130,859,095	-16,324,792	-46,810,935	1,353,681,645	465,497,417	151,527,804	-7,987,649	609,037,572	744,644,073
Total Property, Plant and Equipment	10.9	11,744,855,654	2,969,545,166	-34,112,225	-1,157,952,402	13,522,336,193	3,184,160,708	484,260,043	-9,610,215	3,658,810,536	9,863,525,657
Investment Property	10.10										
Investment assets		44,792,509	0	0	0	44,792,509	32,841,744	1,497,613	0	34,339,357	10,453,152
Housing Company: investment property		7,490,657			2,509,343	10,000,000	0			0	10,000,000
		52,283,166	0	0	2,509,343	54,792,509	32,841,744	1,497,613	0	34,339,357	20,453,152
Intangible Assets	10.11										
Computer software		125,103,123	33,843,313	0	0	158,946,436	29,743,339	31,168,125	0	60,911,464	98,034,972
Civirelo: intangible assets			3,240		57,900	61,140		14,475	43,425	57,900	3,240
		125,103,123	33,846,553	0	57,900	159,007,576	29,743,339	31,182,600	43,425	60,969,364	98,038,212
Total	10.12	11,922,241,943	3,003,391,719	-34,112,225	-1,155,385,159	13,736,136,278	3,246,745,791	516,940,256	-9,566,790	3,754,119,257	9,982,017,020

ANNEXURE C

Segmental Analysis of Property, Plant and Equipment as at 30 June 2008: Municipality

Service	Cost/revaluation			Accumulated depreciation			Carrying value
	Opening balance	Additions	Disposals	Transfers and adjustments	Closing balance	Opening balance	Closing balance
	R	R	R	R	R	R	R
Office of the Executive Mayor and Municipal Manager	455,797,859	86,117,737	-86,351	-41,254,266	500,574,979	85,639,522	194,305,204
Financial Services	54,732,738	2,593,153	0	-548,872	56,777,019	8,012,207	31,274,307
General Assessments	22,130,746	4,726,547	0	0	26,857,293	1,829,265	16,158,026
Corporate and Shared Services	1,373,658,282	10,392,280	-64,973	0	1,383,985,589	31,469,493	248,818,045
Community Safety	299,541,656	45,531,662	-73,900	-17,244,269	327,755,149	27,516,693	166,178,075
Economic Development	251,928,132	25,152,027	-147,182	-3,217,329	273,715,648	8,404,331	121,127,964
Health and Social Development	116,342,037	11,075,180	-1,816,628	-820,863	124,779,726	8,132,364	35,716,771
City Planning and Regional Services	112,913,791	10,359,799	-36,732	-81,852,059	41,384,799	4,993,176	17,226,737
Sport and Recreation	385,929,629	102,039,944	-165,800	-25,755,660	462,048,113	107,442,485	125,542,740
Housing and Sustainable Human Settlement Development	1,318,384,622	606,246,187	0	-348,015,905	1,576,614,904	178,181,331	203,628,969
Agriculture and Environmental Management	342,062,649	57,873,771	-118,560	-13,135,174	386,682,686	104,475,008	124,634,022
Public Works:	6,687,420,282	2,031,276,259	-31,602,098	-626,081,067	8,061,013,376	2,132,511,570	2,361,675,954
Transport	0	18,603,738	0	-24,494,547	-5,890,809	0	0
Roads and Stormwater	2,462,645,700	758,894,017	-1,039,218	-240,462,413	2,980,038,086	854,089,403	954,008,894
Water and Sanitation	1,971,903,062	561,122,508	-18,877,100	-85,780,077	2,428,368,393	562,755,334	638,118,653
Electricity	2,252,871,520	692,655,996	-11,685,780	-275,344,030	2,658,497,706	715,666,833	769,548,407
Total	11,420,842,428	2,993,384,545	-34,112,225	-1,157,925,465	13,222,189,283	3,178,285,410	3,646,286,811
							9,575,902,472

ANNEXURE C

Segmental Analysis of Property, Plant and Equipment as at 30 June 2008: Group

Service	Cost/revaluation				Accumulated depreciation				Carrying value	
	Opening bal- ance	Additions	Disposals	Transfers and adjustments	Closing bal- ance	Opening bal- ance	Additions	Disposals, transfers and adjustments	Closing bal- ance	
	R	R	R	R	R	R	R	R	R	
Office of the Executive Mayor and City Manager	455,797,859	86,117,737	-86,351	-41,254,266	500,574,979	108,711,171	85,639,522	-45,489	194,305,204	306,269,775
Financial Services	54,732,738	2,593,153	0	-548,872	56,777,019	23,262,100	8,012,207	0	31,274,307	25,502,712
General Assessments	22,130,746	4,726,547	0	0	26,857,293	14,328,761	1,829,265	0	16,158,026	10,699,267
Corporate and Shared Services	1,373,658,282	10,392,280	-64,973	0	1,383,985,589	217,381,586	31,469,493	-33,034	248,818,045	1,135,167,544
Community Safety	299,541,656	45,531,662	-73,900	-17,244,269	327,755,149	138,724,770	27,516,693	-63,388	166,178,075	161,577,074
Economic Development	252,508,956	25,152,027	-147,182	-3,217,329	274,296,472	113,359,010	8,404,331	-84,914	121,678,427	152,618,045
Health and Social Development	116,342,037	11,075,180	-1,816,628	-820,863	124,779,726	28,198,265	8,132,364	-613,858	35,716,771	89,062,955
City Planning and Regional Services	112,913,791	10,359,799	-36,732	-81,852,059	41,384,799	12,259,817	4,993,176	-26,256	17,226,737	24,158,062
Sport and Recreation	385,929,629	102,039,944	-165,800	-25,755,660	462,048,113	107,442,485	18,123,958	-23,703	125,542,740	336,505,373
Housing and Sustainable Human Settlement Development	1,326,164,999	606,329,697	0	-345,475,599	1,587,019,097	178,394,803	25,458,606	0	203,853,409	1,383,165,688
Agriculture and Environmental Management	342,062,649	57,873,771	-118,560	-13,135,174	386,682,686	104,475,008	20,209,862	-50,848	124,634,022	262,048,664
Public Works:	7,180,458,596	2,041,199,923	-31,602,098	-626,081,067	8,563,975,354	2,200,208,016	277,150,780	-8,625,299	2,468,733,497	6,095,241,857
Transport,	0	18,603,738	0	-24,494,547	-5,890,809	0	0	0	0	-5,890,809
Roads and Stormwater	2,462,645,700	758,894,017	-1,039,218	-240,462,413	2,980,038,086	854,089,403	100,412,700	-493,209	954,008,894	2,026,029,192
Water and Sanitation	2,464,941,376	571,046,172	-18,877,100	-85,780,077	2,931,330,371	630,451,780	115,644,476	-920,060	745,176,196	2,186,154,175
Electricity	2,252,871,520	692,655,996	-11,685,780	-275,344,030	2,658,497,706	715,666,833	61,093,604	-7,212,030	769,548,407	1,888,949,299
Total	11,922,241,943	3,003,391,719	-34,112,225	-1,155,385,159	13,736,136,278	3,246,745,791	516,940,256	-9,566,790	3,754,119,257	9,982,017,020

SERVICE	Municipality										Group									
	2008					2007					2008					2007				
	Actual income	Actual expenditure	Surplus/ (deficit)	Adjustment budget surplus/ (deficit)	Actual income	Actual expenditure	Surplus/ (deficit)	Actual income	Actual expenditure	Surplus/ (deficit)	Actual income	Actual expenditure	Surplus/ (deficit)	Adjustment budget surplus/ (deficit)	Actual income	Actual expenditure	Surplus/ (deficit)	Actual income	Actual expenditure	Surplus/ (deficit)
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Health and Social Development	67,882,436	241,085,729	-173,203,293	-191,723,260	53,941,713	208,511,894	-154,570,181	84,380,608	267,178,702	-182,798,094	-191,723,260	68,272,948	226,180,002	-157,907,054						
City Planning and Regional Services	68,470,615	134,583,253	-66,112,638	-75,479,150	67,110,477	107,579,422	-40,468,945	68,470,615	134,583,253	-66,112,638	-75,479,150	67,110,477	107,579,422	-40,468,945						
Public Works:																				
Roads & Stormwater	5,218,169,612	4,645,191,311	572,978,301	295,457,155	4,399,084,192	4,167,374,282	279,785,003	5,482,920,445	4,943,963,797	538,956,648	295,457,155	4,573,986,564	4,408,697,418	165,289,146						
Transport	201,376,207	487,490,999	-286,114,792	-327,844,653	59,903,280	391,522,056	-331,618,776	201,376,207	487,490,999	-286,114,792	-327,844,653	59,903,280	391,522,056	-331,618,776						
Electricity	54,603,935	95,655,404	-41,051,469	-10,745,918	28,132,639	76,207,732	-41,051,469	54,603,935	95,655,404	-41,051,469	-10,745,918	28,132,639	76,207,732	-48,075,093						
	3,191,679,242	2,729,798,526	461,880,716	342,542,330	2,789,662,278	2,449,088,349	340,573,929	3,191,679,242	2,729,798,526	461,880,716	342,542,330	2,789,662,278	2,449,088,349	340,573,929						
Water and Sanitation	1,770,510,228	1,332,246,382	438,263,846	291,505,396	1,521,385,995	1,250,556,145	270,829,850	2,035,261,061	1,631,018,868	404,242,193	291,505,396	1,696,288,367	1,491,879,281	204,409,086						
Surplus for the year	10,120,793,836	9,263,350,645	857,443,191	896,061,891	8,601,482,155	8,288,557,656	312,924,499	10,402,042,841	9,588,216,102	813,826,739	896,061,891	8,790,719,412	8,547,579,158	243,140,254						

ANNEXURE E

Actual Operating Revenue and Expenditure per type in contrast to the Budget for the year ended 30 June 2008

Description	Actual	Budget	Variance	Explanation of significant variances (greater than 10%) in contrast to the budget
	R	R	%	
Revenue				
Property rates	2,180,952,393	2,007,541,000	8.64	
Service charges	4,925,025,127	4,769,479,797	3.26	
Regional Service Levies – turnover	0	20,000,000	-100.00	The RSC levies received were appropriated to sundry debtors created in the previous financial year as levies were abolished.
Rental of facilities and equipment	90,860,818	74,495,934	21.97	More bus rentals than anticipated were realised. "Sundry properties" was overcollected due to premises taken over from other departments. Final payments received from RTWST for the rental payable on 30 June 2008 in respect of the Rooideplat and Temba properties according to the lease agreement.
Interest earned – external investments	158,014,824	113,303,229	39.46	More favourable interest rates realised better investment income compared to the conservatively planned budget.
Interest earned – outstanding debtors	194,352,139	160,432,604	21.14	Growth in the collection of instalment payment plans for debtors who arrange to pay their arrears in monthly instalments.
Fines (traffic fines)	38,302,819	49,433,869	-22.52	Factors that contributed were the culture of non-payment, insufficient paypoints, the lack of capacity of magistrates to administer traffic fines and the unsuccessful prosecution of cases. Interventions include sting operations by the Tracings Unit, agreement with the SA Post Office to receive payments countrywide and the implementation of the Administrative Adjudication of the Road Traffic Offences Act, 1998 (Act 46 of 1998), as amended.
Licences and permits	29,498,520	23,049,903	27.98	More income was received than anticipated in the conservatively planned budget.
Government grants and subsidies	1,919,501,081	2,201,857,795	-12.82	The restructuring grant funding increased by R50 million during the adjustments budget, and the implementation of projects will roll forward to 2008/09. The allocation for the 2010 FIFA World Cup™ is to be used during 2008/09 owing to the implementation of the project continuing to September 2008. The allocation of PTIS funds was not fully used, as the project implementation was delayed and will roll forward to 2008/09.
Other income	691,502,194	619,483,107	11.63	Problems relating to the billing of waste services led to income not being collected. The Finance Department was consulted to look at possible ways to ensure that all services are billed. The undercollection on land sales was as a result of the moratorium on the sale of land.
Public contributions	165,369,329	155,000,000	6.69	

Description	Actual		Budget		Variance		Variance %	Explanation of significant variances (greater than 10%) in contrast to the budget
	R		R		R			
Gains on the disposal of property, plant and equipment	4,936,900		40,352,144		-35,415,244		-87.77	Uncertain income. Is dependent on asset cleanup and the disposal of obsolete assets.
Gain: change in the fair value of livestock	3,726,697		0		3,726,697		100.00	The revaluation of livestock at year end culminated in a gain.
Total revenue	10,402,042,841		10,234,429,382		167,613,459		1.64	
Expenditure								
Employee-related costs	2,665,393,656		2,729,726,831		-64,333,175		(2.36)	
Remuneration of Councillors	44,201,359		47,914,093		-3,712,734		(7.75)	
Bad debts: contribution	230,254,392		19,920,755		210,333,637		1055.85	A conservative amount was budgeted. The calculation of the provision is processed at year end.
Bad debts: written off	100,732,978		109,100,000		-8,367,022		(7.67)	
Collection costs	72,224,153		63,178,651		9,045,502		14.32	The service provider was not appointed. Negotiations with the City of Tshwane Legal Services are in progress.
Depreciation	581,372,889		728,387,673		-147,014,784		(20.18)	The increase was due to the asset purification process and the accounting for finance leases.
Interest paid on external borrowings	431,881,950		382,138,723		49,743,227		13.02	The increase was due to the accounting for leases at year end.
Bulk purchases	2,214,193,693		2,232,955,941		-18,762,248		(0.84)	
Repairs and maintenance	897,807,296		749,310,022		26,932,403		3.59	More actual repairs and maintenance work was required than anticipated during the budget process.
Grants and subsidies paid	11,584,679		12,285,250		-700,571		(5.70)	
Loss on the disposal of property, plant and equipment	23,423,391		9,900		23,413,491		236499.91	Uncertain expenditure. Only a nominal amount was budgeted.
General expenses – other	2,315,145,666		2,010,014,816		305,130,850		15.18	
Total expenditure	9,588,216,102		9,084,942,655		503,273,447		5.54	
Net Surplus for the Year	813,826,739		1,149,486,727		-335,659,988		(29.20)	

ANNEXURE F

Segmental: Actual Operating Revenue and Expenditure per Strategic Unit in contrast to the Budget for the year ended 30 June 2008

Description	Actual	Budget	Variance	Variance	Explanation of significant variances (greater than 10%) in contrast to the budget
	R	R	R	%	
Revenue					
Office of the Executive Mayor and City Manager	11,033,805	61,820,434	-50,786,629	(82.15)	Soccer 2010 stadium rebuilding funds were not spent as the project implementation begins from July to September 2008.
Corporate and Shared Services	44,694,749	52,813,147	-8,118,398	(15.37)	A major contributor was the loss on the sale of assets.
Economic Development	144,541,237	153,344,513	-8,803,276	(5.74)	
Financial Services	63,067,055	63,931,335	-864,280	(1.35)	
General Assessments	3,777,582,087	3,725,953,850	51,628,237	1.39	
Housing and Sustainable Human Settlement Development	200,527,837	258,475,315	-57,947,478	(22.42)	Confirmation was not received from the Province to spend all the funds allocated in respect of top structure grants.
Sport and Recreation	39,610,992	40,291,654	-680,662	(1.69)	
Community Safety	146,452,724	143,420,971	3,031,753	2.11	
Agriculture and Environment Management	338,760,687	369,960,577	-31,199,890	(8.43)	
Health and Social Development	84,380,608	64,782,576	19,598,032	30.25	Revenue of the municipal entity was included, but not budgeted for on consolidation.
City Planning and Regional Services	68,470,615	63,213,490	5,257,125	8.32	
Public Works:	5,482,920,445	5,236,421,520	246,498,925	4.71	
	201,376,207	243,647,639	-42,271,432	(17.35)	PTIS/RG funds were not fully recognised owing to underspending on project implementation. The unspent balance was carried forward to 2008/09.
Roads and Stormwater					
Transport	54,603,935	106,430,891	-51,826,956	(48.70)	PTIS/RG funds were not fully recognised owing to underspending on project implementation. The unspent balance was carried forward to 2008/09.
Electricity	3,191,679,242	3,172,166,208	19,513,034	0.62	
Water and Sanitation	2,035,261,061	1,714,176,782	321,084,279	18.73	Revenue of municipal entities was included, but not budgeted for on consolidation.
Total revenue	10,402,042,841	10,234,429,382	167,613,459	1.64	

Description	Actual	Budget	Variance	Variance	Explanation of significant variances (greater than 10%) in contrast to the budget
	R	R	R	%	
EXPENDITURE					
Office of the Executive Mayor and City Manager	221,747,407	511,094,727	-289,347,320	(56.61)	The soccer 2010 stadium rebuilding project implementation begins from July to September 2008.
Corporate and Shared Services	838,438,644	592,964,271	245,474,373	41.40	Restatement on depreciation owing to the purification process on the fixed asset register
Economic Development	260,487,869	258,269,790	2,218,079	0.86	
Financial Services	409,853,890	485,044,296	-75,190,406	(15.50)	Owing to effective negotiating and structuring of the insurance portfolio, as well as the implementation of the Risk Management and Insurance Strategy, a major saving realised on the insurance premium.
General Assessments	491,791,096	279,644,276	212,146,820	75.86	The budget allocation for interest paid was moved to individual departments and no budget was allocated to this vote. Depreciation – asset purification could only be done on this vote owing to a lack of information. Accounting for leases was done in total on this vote – no budget was provided for the accounting for leases. An additional provision of R125 million was made for RSC levies bad debt.
Housing and Sustainable Human Settlement Development	289,419,196	321,874,152	-32,454,956	(10.08)	Restatement on depreciation owing to the purification process on the fixed asset register
Sport and Recreation	152,738,147	170,400,276	-17,662,129	(10.37)	Restatement on depreciation owing to the purification process on the fixed asset register
Community Safety	715,137,886	728,083,554	-12,945,668	(1.78)	
Agriculture and Environment Management	862,876,215	660,010,850	202,865,365	30.74	Expansion of services rendered, increase in fuel prices, and higher maintenance costs on vehicles, machines, buildings and sites
Health and Social Development	267,178,702	256,505,836	10,672,866	4.16	
City Planning and Regional Services	134,583,253	133,511,097	1,072,156	0.80	
Public Works:	4,943,963,797	4,940,964,365	2,999,432	0.06	Restatement on depreciation owing to the purification process on the fixed asset register
Roads and Stormwater	487,490,999	571,492,292	-84,001,293	(14.70)	The 2010 soccer-related expenditure did not progress as planned. The implementation is to roll over to 2008/09.
Transport	95,655,404	117,176,809	-21,521,405	(18.37)	
Electricity	2,729,798,526	2,829,623,878	-99,825,352	(3.53)	
Water and Sanitation	1,631,018,868	1,422,671,386	208,347,482	14.64	Restatement on depreciation owing to the purification process on the fixed asset register
Net expenditure	9,588,216,102	9,338,367,490	249,848,612		
NET SURPLUS FOR THE YEAR	813,826,739	896,061,892	-82,235,153	(9.18)	

ANNEXURE G

Actual Capital Expenditure in contract to the Budget for the year ended 30 June 2008: Municipality Only

Service	Actual	Budget	Variance	Variance	Explanation of significant variances (greater than 5%) in contrast to the budget
	R	R	R	%	
Corporate and Shared Services	56,064,009	78,969,801	22,905,792	29.01	Several IT tenders were not approved, and there were insufficient funds for the establishment of the call centre.
Economic Development	22,544,229	40,473,750	17,929,521	44.30	The approval of the bus project was delayed. There was a delay in the upgrading of buildings owing to the contractor being in breach of contract. The savings on projects were due to lower tender amounts.
Financial Services	11,131,247	11,900,000	768,753	6.46	The tender process started late in the financial year because the upgrading of the paypoint and insurance replacement project is dependent on claims.
Housing and Sustainable Human Settlement Development	186,983,791	233,234,988	46,251,197	19.83	Projects were not implemented because funds were not approved/received from the Province and the upgrading of the Schubart Park and Kruger Park blocks was not implemented.
Sport and Recreation	66,666,245	73,998,000	7,331,755	9.91	The Nellmapius Community Centre project could not be implemented. This project will be reprioritised in future years.
Community Safety	21,544,824	35,150,000	13,605,176	38.71	The purchase of vehicles was delayed.
Agriculture and Environmental Management	42,936,806	46,850,000	3,913,194	8.35	Dispute resolution regarding the outsourcing of refuse removal resulted in delays.
Health and Social Development	6,272,719	6,279,000	6,281	0.10	
City Planning and Regional Services	4,283,612	8,000,000	3,716,388	46.45	Delay in Phase 2 – to continue in July 2008
Public Works:					
Roads and Stormwater	1,339,474,818	1,536,323,549	196,848,731	12.81	
Transport	442,898,465	555,743,000	112,844,535	20.31	The EIA studies were delayed.
Electricity	27,725,543	71,300,000	43,574,457	61.11	There were delays in the procurement process, and MIG funding was awaiting business plan approval.
Water and Sanitation	398,567,457	421,985,549	23,418,092	5.55	The late posting of reservations caused a variation in the contractor payments as a result of the escalation in material prices.
	470,283,353	487,295,000	17,011,647	3.49	
Net expenditure	1,757,902,300	2,071,179,088	313,276,788	15.13	

ANNEXURE H

Disclosures of Grants and Subsidies in terms of Section 123 of the MFMA (ACT 56 of 2003)

Name of grant	Name of organ of state or municipal entity	Quarterly receipts						Expenditure		Closing balance R	Grants and subsidies delayed/ withheld July to June	Reason for delay/ withhold- ing of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act?	Reason for non- com- pliance
		Opening balance R	September R	December R	March R	June R	Total R	June R						
Capital grants:														
Economic Development	Gauteng: Sport, Recreation	3,749,841	0	0	1,990,000	0	5,739,841	4,624,440	1,115,401	None	None	Yes	n/a	
National Electricity Fund	National Electricity Regula- tor	4,025,783	0	23,900,000	28,500,000	0	56,425,783	52,227,673	4,198,110	None	None	Yes	n/a	
Gauteng: project-linked housing	Gauteng: Housing Depart- ment	22,113,701	0	6,620,688	24,164,814	10,179,765	63,078,968	62,190,527	888,441	None	None	Yes	n/a	
North West: project- linked housing	North West: Housing	1,922,450	0	0	0	0	1,922,450	0	1,922,450	None	None	Yes	n/a	
Municipal Infrastructure Grant (MIG)	Department: Provincial and Local Government	19,794,905	34,755,000		161,683,749	40,000,000	256,233,654	220,341,029	35,892,625	None	None	Yes	n/a	
Gautrans Job Creation	Gautrans	5,000,000	0	0	0	0	5,000,000	0	5,000,000	None	None	Yes	n/a	
Water and Sanitation	Department of Water Af- fairs and Forestry	21,992,328	0	0	0	25,677	22,018,005	22,018,005	0	None	None	Yes	n/a	
Electricity for All	Department of Mineral and Energy Affairs	0	0	0	0	0	0	0	0	None	None	Yes	n/a	
Transportation	Gauteng Department Transportation Engineering	3,000,000	0	0	0	0	3,000,000	0	3,000,000	None	None	Yes	n/a	
Eskom	Eskom	5,780,000	0	0	0	0	5,780,000	5,767,047	12,953	None	None	Yes	n/a	
World Cup Soccer 2010: roads	Gauteng Department Transportation Engineering	0		15,159,374	15,159,374	0	30,318,748	10,603,832	19,714,916	None	None	Yes	n/a	
World Cup Soccer 2010: Transport	Gauteng Department Transportation Engineering	0		24,215,626	24,215,626	0	48,431,252	0	48,431,252	None	None	Yes	n/a	
Restructuring Grant	National Treasury	0	56,747,798	0	33,252,202	0	90,000,000	89,907,728	92,272	None	None	Yes	n/a	
Unforeseen water problems	Gauteng: Department of Public Works	7,322,068	0	0	0	0	7,322,068	0	7,322,068	None	None	Yes	n/a	
Sandspruit Works As- sociation	Various spheres of govern- ment	0	0	0	0	4,282,952	4,282,952	0	4,282,952	None	None	Yes	n/a	
		94,701,076	91,502,798	69,895,688	288,965,765	54,488,394	595,270,769	467,680,281	131,873,440					
(continued overleaf)														

Name of grant	Name of organ of state or municipal entity	Quarterly receipts						Expenditure		Closing balance R	Grants and subsidies delayed/ withheld July to June	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act?	Reason for non-compliance
		Opening balance R	September R	December R	March R	June R	Total R	June R						
Operational grants/subsidies:														
Health: HIV and Aids	National Department of Health	2,000,000	0	0	1,500,000	0	3,500,000	2,000,000	1,500,000	None	None	None	Yes	n/a
Health subsidy	National Department of Health	0		4,552,000	5,813,500	12,303,500	22,669,000	22,669,000	0	None	None	None	Yes	n/a
Ambulance subsidy	Provincial Department of Health	0	757,440	17,110,372	8,550,500	8,660,970	35,079,282	35,079,282	0	None	None	None	Yes	n/a
Top structures: project-linked housing	North West Housing	1,410,484	24,363,984	35,411,076	15,146,285	62,655,207	138,987,036	125,601,978	13,385,058	None	None	None	Yes	n/a
Finance Management Grant	National Treasury	1,503,403	500,000	0	0	0	2,003,403	698,716	1,304,687	None	None	None	Yes	n/a
Restructuring Grant	National Treasury	78,921,694	40,000,000		19,950,001	50,000	138,921,695	52,227,861	86,693,834	None	None	None	Yes	n/a
Municipal System Improvement Grant	National Treasury	3,000,000	0	0	0	0	3,000,000	2,501,600	498,400	None	None	None	Yes	n/a
Equitable Share	Department of Provincial and Local Government	0	367,138,698	275,354,023	458,923,372	0	1,101,416,093	1,101,416,093	0	None	None	None	Yes	n/a
Refurbishment of Tembisa Works	Department of Water Affairs and Forestry	399,000	6,237,250	2,448,750	6,341,250	3,363,573	18,789,823	18,789,823	0	None	None	None	Yes	n/a
Department of Water Affairs	Department of Water Affairs and Forestry		2,676,000				2,676,000	2,676,000	0					
Housing Accreditation	Gauteng Housing Department	268,050		3,000,000	2,003,800	0	5,271,850	2,335,043	2,936,807	None	None	None	Yes	n/a
Bontle Ke Boitho	Gauteng: Agriculture, Conservation and Environment	177,223	610,000	0	0	670,000	1,457,223	0	1,457,223	None	None	None	Yes	n/a
Sport and Recreation	Gauteng: Sport, Recreation	0	0	0	1,390,000	0	1,390,000	1,390,000	0	None	None	None	Yes	n/a
Arts and Culture	Gauteng: Sport, Recreation	0	0	0	0	1,757,000	1,757,000	1,757,000	0	None	None	None	Yes	n/a

Name of grant	Name of organ of state or municipal entity	Quarterly receipts						Expenditure		Closing balance R	Grants and subsidies delayed/ withheld July to June	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act?	Reason for non-compliance
		Opening balance R	September R	December R	March R	June R	Total R	June R	June R					
Lofus upgrade 2010	Gauteng Department of Transport	4,000,000	0	0	52,777,600	2,517,380	59,294,980	10,848,271	48,446,709		None	Yes	n/a	
Agriculture	Gauteng Department of Agriculture, Conservation	460,000	0	0	440,000	0	900,000	460,000	440,000					
Motor vehicle licences refund	Gauteng Department of Transport	0	11,728,105	16,598,061	4,707,409	33,157,769	66,191,344	66,191,344	0		None	Yes	n/a	
World Cup Soccer: roads	Gauteng Department Transportation Engineering	0		7,000,000	144,495	0	7,144,495	2,905,569	4,238,926		None	Yes	n/a	
World Cup Soccer: transport	Gauteng Department Transportation Engineering	0	0	23,712,500	19,687,500	0	43,400,000	0	43,400,000		None	Yes	n/a	
Monument Golf Club	Monument Golf Club	3,000,000	0	0	0	0	3,000,000	0	3,000,000		None	Yes	n/a	
Revenue according to the Statement of Financial Performance (see note 21)		95,139,854	454,011,477	385,186,782	597,375,712	125,135,399	1,656,849,224	1,449,547,580	207,301,644					
Unspent conditional grants according to the Statement of Financial Position (see note 8)														

» 4.5 ACTION PLAN REGARDING THE AUDIT REPORT

Financial Statements

Property rates and property values

1. could not satisfy myself as to the accuracy, completeness and occurrence of the amounts (current and corresponding figures) disclosed as property rates and property values in the statement of financial performance and note 18 to the financial statements, as incomplete and insufficient information was provided for audit purposes. No alternative audit procedures could be performed and, consequently, I was unable to satisfy myself as to the completeness, occurrence and accuracy of the property rates and the property values as at 30 June 2008 totalling R2,181 billion (30 June 2007: R1,719 billion) and R20,616 billion (30 June 2007: R21,333 billion), respectively.

Management response

The match and reconciliations between Property Valuation and the SAP billing systems done by interfacing the two systems was performed regularly until the end of January 2008 and was stopped to allow the testing and implementation of the MPRA (Municipal Property Rate Act, 2004 (Act 6 of 2004)) to link with the Billing System.

The cut-off date for capturing supplementary valuation information onto the property valuation system for general valuation of 2002 was 1 February 2008 to facilitate the implementation of the MPRA by 1 July 2008. It was essential to halt the interfacing with SAP to prevent billing errors and any subsequent delay in the implementation of the MPRA. The testing included the creation of sectional title units on the property valuation and SAP billing system and reconciliation with the deeds registration information system.

Planned action

The City Manager will ensure that the data is reconciled between the Registrar of Deeds, GIS, property valuation and the SAP billing systems to address the audit qualification.

2. Property, plant and equipment

The City of Tshwane did not recognise certain items of property, plant and equipment with a purchase value of less than or equal to R10 000. The cumulative amount of these items expensed over the years total about R155,167 million. Expensing these amounts was in contravention of the Generally Accepted Municipal Accounting Practice, GAMAP 17 Property, Plant and Equipment, which states that an item of property, plant and equipment that qualifies for recognition as an asset shall be carried at cost less any accumulated depreciation. Therefore the carrying value of property, plant and equipment is misstated by an unknown amount, as the depreciation and accumulated depreciation cannot be accurately determined. No alternative audit procedures

could be performed.

Management comment

The Council approved revisions to the asset management policy in May 2008. The policy provides for a threshold value on the capitalisation of assets. The policy also provides the Chief Financial Officer with the prerogative to institute any threshold value he or she deems fit. The definition of materiality as per the Accounting Standards Board was taken into consideration when determining the threshold value of R10 000,00. The approved policy furthermore proposes a retrospective implementation and adjustment of the threshold value (up to where the value was previously increased to R100,000,00) which was duly carried out.

The value of R155,167 million indicated in the audit report refers to the total value of items recorded on the register dealing with low-value assets, and not assets expensed during the 2007/08 financial year. The management of the items on this system has been decentralised to departments. It is the responsibility of the Chief Financial Officer to ensure proper controls.

In reviewing the GAMAP/GRAP statements, no expressed objection could be found to the implementation of a threshold value in the management of assets. The City of Tshwane is obliged to adhere to the threshold value stated in the policy as there is no contradictory financial legislation or guidelines on the matter.

Planned action

We take note of the Auditor-General's expressed concerns regarding the City of Tshwane's application of a threshold value in the capitalisation of its assets. Urgent attention will be given to the matter and the pertinent financial policies, procedures and processes will be addressed to ensure compliance with the accounting standards.

3. Municipal Finance Management Act

In 2001 the then City of Tshwane Council resolved to provide an official residence to the mayors of the City of Tshwane. This provision of an official residence to a mayor does not fall within the framework of the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998), which in turn results in the transgression of section 167 of the MFMA which came into effect in 2004 and states that a municipality may remunerate its members of the political structure only within the framework of the Remuneration of Public Office Bearers Act, 1998. If it falls outside this, it must be classified as irregular expenditure and the municipality must take the appropriate steps as required.

Planned action

The Accounting Officer in consultation with the Audit Committee will compile a report to the Mayoral Committee and Council to address this issue.

Report on Performance Information

4. Non-compliance with regulatory requirements

Although the integrated development plan (IDP) was adopted on 31 May 2007, the public was only notified on 5 October 2007 and not in good time as required by section 25(4) of the MSA.

Planned action

Although the City of Tshwane did not achieve compliance with legislation in the 2007/08 financial year, this was corrected in the 2008/09 financial year for the second revision of the IDP. The City Manager will continue to ensure compliance through the IDP process plan and ensure that resources are made available for this purpose.

4.1 A performance management specialist was only appointed in January 2008 with the result that there was no performance management specialist for the period 1 July 2007 to 31 December 2007. Furthermore, the terms of reference of the audit committee were not amended during the 2007/08 financial year to make provision for the performance management specialist and to incorporate the roles and responsibilities pertaining to performance management. The audit committee charter was subsequently amended and approved by the Council on 2 October 2008, but the amendments made are applicable to the 2008/09 financial year only.

Planned action

This matter was resolved. The performance specialist was appointed and the audit committee charter was approved by the Council.

4.2 Two separate performance audit committees were established at the City of Tshwane. The Council appointed an audit committee and resolved that it be used as the City of Tshwane performance audit committee during January 2008. Subsequent to this appointment, however, the remuneration and performance management committee, established on 25 August 2005, was also appointed as a performance audit committee by the mayoral committee per a resolution dated 22 October 2008.

Planned action

The Mayoral Committee has deliberated on this matter and a report will be tabled to the Council during the 2008/09 financial year to confirm the roles of the two committees.

5. Measures to improve performance were not always disclosed in the annual performance report, as required by section 46(1)(c) of the MSA.

Planned action

The City Manager will ensure that all departments comply with reporting requirements. Reports

that do not meet all requirements, including being signed off by the SED, will not be accepted. The City Manager will implement corrective measures where there is non-compliance.

6. The internal audit unit did not perform audit evaluations and reviews on the 2007/08 first and second quarterly performance reports, as required by section 45 of the MSA. Furthermore, although the provisional 2007/08 mid year report was submitted to the Mayoral Committee on 16 January 2008 and submitted to the Council on 24 January 2008, this report was only referred to internal audit for evaluation and review on 6 June 2008.

Planned action

This issue will be addressed in the 2008/09 financial year. A new structure has been approved to beef up the internal audit capacity.

7. A signed service level agreement between the City of Tshwane and the Housing Company Tshwane, as required in terms of sections 76 and 77 of the MSA, could not be provided for audit purposes.

Planned action

The process to put a governance structure for the HCT in place is at an advanced stage. The report regarding the appointment of the Board of Directors for HCT will be tabled at the Council meeting of 29 January 2009 for approval. As soon as the Board of Directors is appointed, it must adopt an SLA and refer this to the Council for approval.

No correlation between performance targets in the IDP

8. The following were noted with regard to the performance targets as contained in the IDP:

- The sum total of the annual targets over a period of five years (2006 to 2011) does not agree with the total as per the five-year departmental targets.
- In some instances, there is no correlation between the annual performance targets and the departmental targets set for the five-year programme.

Planned action

During the 2007/08 financial year changes were made to targets and indicators on the SDBIP after the IDP was approved. This resulted in discrepancies between the IDP and the SDBIP. Some corrections are being made in the 2008/09 year with an adjusted SDBIP which will be submitted to the Mayoral Committee once the adjusted budget is approved by the Council.

Further corrections with regard to the annual targets in relation to the five-year targets are being made in the third revision of the IDP to be submitted to the Council in May 2009, as such corrections would involve the amendment of the IDP and have to be subjected to a public participation

process and approved by the Council. Since the Auditor-General report was only completed during the mid-term of the 2008/09 financial year, these matters could not be resolved in the 2008/09 IDP second revision.

Targets inconsistent between IDP and annual performance report

9. Some of the approved targets as contained in the 2007/08 IDP are inconsistent with the targets as reported in the 2007/08 annual performance report. The following targets serve as examples:

- Quality infrastructure
- Maintenance of roads
- Maintenance of transport facility
- Maintenance of traffic signals

Planned action

There was a change of information between the approval of the 2007/08 IDP and the 2007/08 SDBIP which resulted in some discrepancies. As indicated above, some of the issues are to be resolved in the 2008/09 financial year by ensuring no major changes to the SDBIP once the IDP was approved, and by taking through adjustments made to the SDBIP as a result of the approved adjustments budget into an adjusted SDBIP that will be submitted to the Mayoral Committee for approval in March.

Further, as indicated above, the risk of inconsistent targets will be further minimised through the IDP third revision to be submitted to the Council in May 2009. Departments are to ensure that information submitted for planning purposes consistently correlates with budget and planning guidelines and budget allocations to ensure that there are no inconsistencies.

Lack of sufficient appropriate audit evidence

10. In verifying the actual performance against predetermined objectives of the City of Tshwane for the 2007/08 financial year in relation to the development priority and objective "Provide quality basic services and infrastructure" as contained in the 2007/08 annual performance report, the following were noted:

- In some instances evidence submitted for audit purposes was not sufficient and appropriate to support the actual targets achieved.
- In other instances evidence to support the actual targets achieved as contained in the 2007/08 annual performance report was not submitted for audit purposes as requested.
- Planned action
- The City Manager will take steps to ensure that all departments submit evidence of perfor-

mance to Internal Audit as required for verification of performance. The City Manager will implement corrective measures where there is non-compliance.

Evidence inconsistent with reported performance information

11. The percentage of unaccounted for water as per the water and sanitation departmental report did not agree with the percentage of unaccounted for water as reported in the 2007/08 annual performance report.

Planned action

All departments will ensure correct reporting substantiated with the evidence above. The City Manager will implement corrective measures in the event of non-compliance.

Incomplete performance information submitted

12. I was not able to verify that the performance information relating to the municipal entities was incorporated in the 2007/08 City of Tshwane annual performance report. The performance information relating to the percentage of unaccounted for water as detailed in the performance report of the Sandspruit Works Association serves as an example.

Furthermore, the annual performance report submitted for audit purposes on 31 August 2008 was incomplete and did not in all instances include essential information as required by the relevant laws and regulations.

Planned action

All departments will ensure that all reporting requirements are consistently complied with, as communicated by the City Manager. The City Manager will implement corrective measures in cases of non-compliance.

05

CHAPTER FIVE

FUNCTIONAL SERVICE DELIVERY



Report based on the functional classification systems for government finance statistics

» 5.1 GENERAL INFORMATION

The City of Tshwane Metropolitan Municipality has been classified as a Category A, Grade 6, urban municipality by the Municipal Demarcation Board in terms of Section 4 of the Local Government: Municipal Structures Act, 1998. It was established on 5 December 2000 through the integration of various municipalities and councils that had previously served the greater Pretoria and surrounding areas.

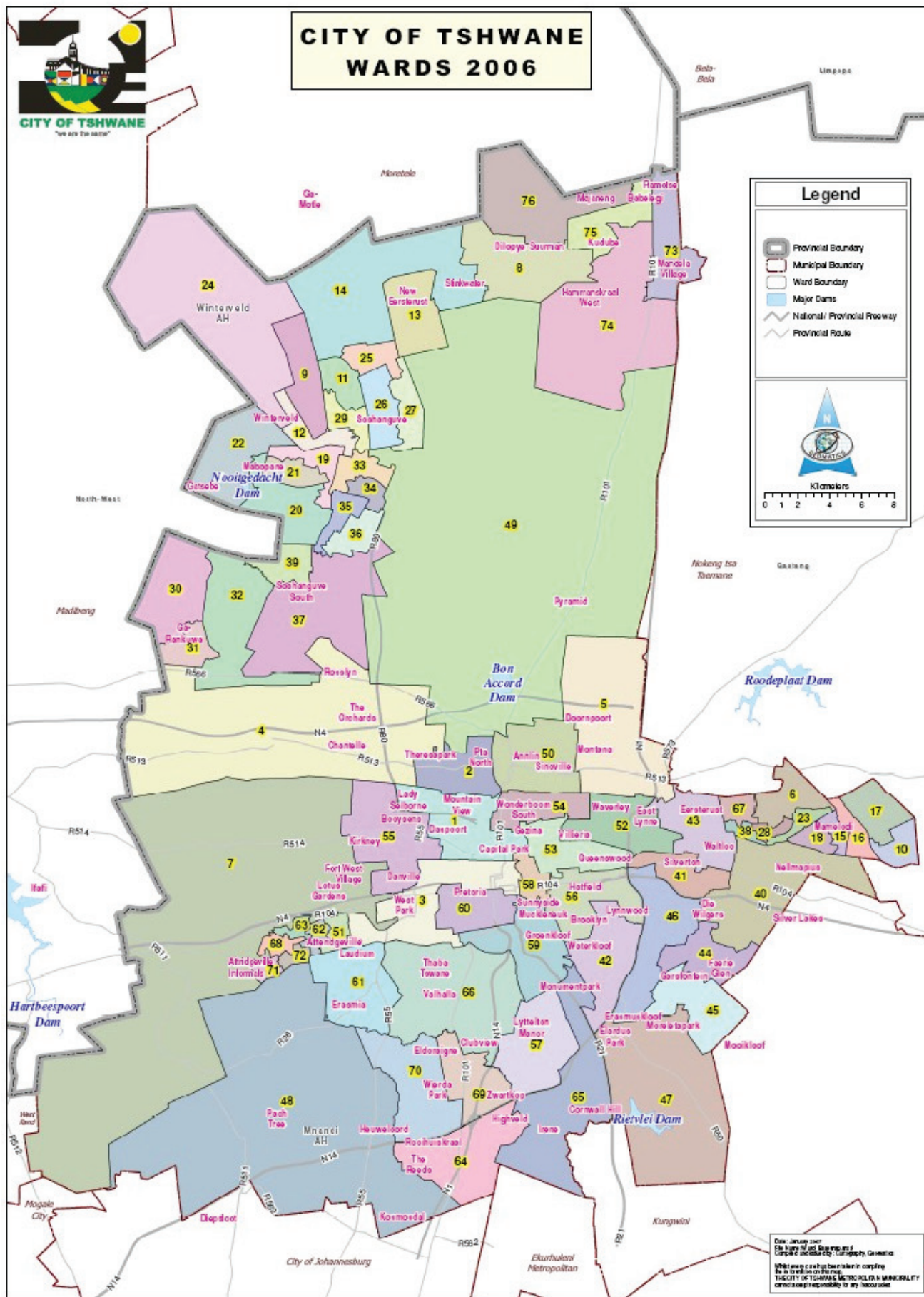
The new Municipality was formed through the amalgamation of the following local authorities:

- The Greater Pretoria Metropolitan Council
- The City Council of Pretoria
- The Town Council of Centurion
- The Northern Pretoria Metropolitan Substructure
- The Hammanskraal Local Area Committee
- The Eastern Gauteng Services Council
- The Pienaarsrivier Transitional Representative Council
- The Crocodile River Transitional Council
- The Western Gauteng Services Council
- The Winterveld Transitional Representative Council
- The Temba Transitional Representative Council
- The Mabopane Transitional Representative Council
- The Ga-Rankuwa Transitional Representative Council
- The Eastern District Council

5.1 General information

The Municipality is divided into 76 wards. A total of 1 070 590 residents were registered as voters in the 76 wards, using the municipal ward delimitation of the Municipal Demarcation Board for the 2005/06 local elections. Information from Provincial Gazette 84, 28 February 2005, as amended, indicates the following number of voters per ward:

WARD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Number of registered voters	15 916	14 368	14 171	12 897	13 040	12 894	12 666	12 860	12 091	16 191	13 743	13 371	13 111	12 148	15 450	
WARD	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Number of registered voters	12 150	15 876	14 478	12 731	14 586	13 408	14 918	16 169	12 377	12 745	15 222	14 566	13 492	13 456	12 786	
WARD	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	
Number of registered voters	12 420	12 312	13 104	13 417	12 425	15 159	15 291	15 240	13 997	15 966	14 137	15 575	15 316	15 843	15 338	
WARD	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	
Number of registered voters	15 641	15 526	16 154	13 496	14 184	12 535	15 985	14 813	13 134	13 538	15 046	16 057	15 644	15 684	15 344	
WARD	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76
Number of registered voters	13 398	12 400	12 812	12 671	15 648	13 976	12 174	12 486	14 039	15 245	12 909	14 066	15 508	14 065	14 100	12 805



5.1.1 Demography

5.1.1.1 Total population (individuals)

Year	Number	Growth %
*2001	1 985 982	Data not available
2002	2 029 670	2,2
2003	2 074 320	2,2
2004	2 119 960	2,2
2005	2 172 960	2,5
2006	2 227 284	2,5
2007	2 345 908	5.3

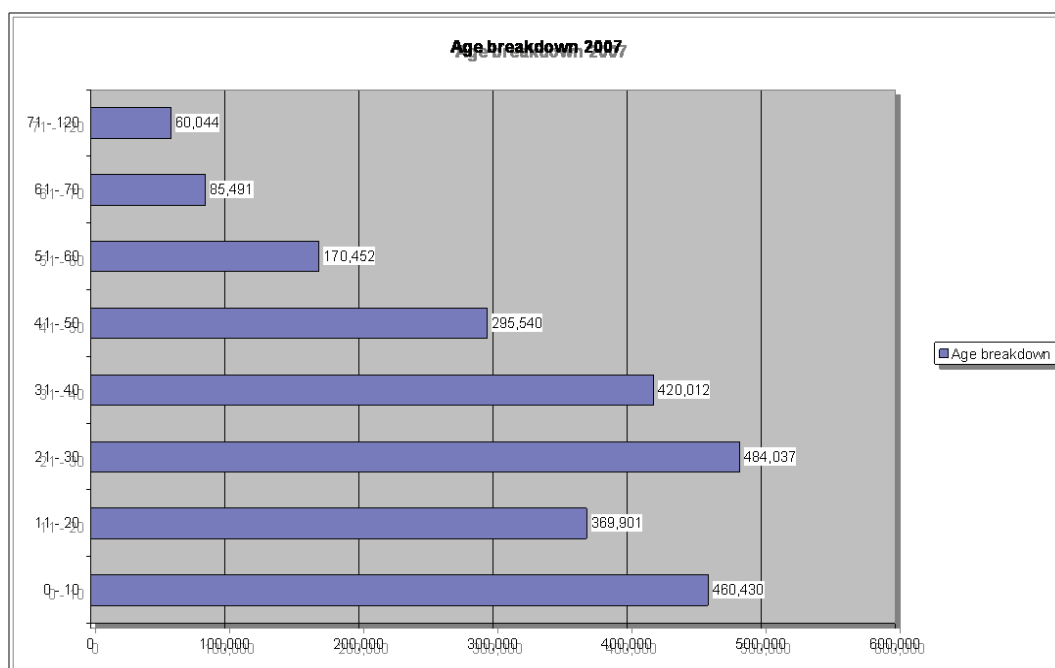
Source: *StatsSA (Census 2001), updated by annual household/community surveys

5.1.1.2 Growth in the total population (individuals and households)

People		Households	
Census: 2001	Community survey: 2007	Census: 2001	Community survey: 2007
1 982 235	2 345 908	561 771	686 640
Percentage growth 2001 to 2007:	18,3%	Percentage growth 2001 to 2007:	22,2%

5.1.1.3 Age breakdown

Age breakdown	1996		2001		Age breakdown	2007	
	Number	%	Number	%		Number	%
0 to 4	153,381	9,2%	155,757	7,8%	0 to 10	460,430	19,6%
5 to 14	297,471	17,9%	331,106	16,7%	11 to 20	369,901	15,8%
15 to 34	660,365	39,7%	806,811	40,6%	21 to 30	484,037	20,6%
35 to 64	473,503	28,5%	603,816	30,4%	31 to 40	420,012	17,9%
Over 65	78,714	4,7%	88,492	4,5%	41 to 50	295,540	12,6%
					51 to 60	170,452	7,3%
					61 to 70	85,491	3,6%
					71 to 120	60,044	2,6%
Total	1663,434		1985,982			2,345,907	



5.1.1.4 Population groups

	1996		2001		2007	
		%		%		%
African	1,144,200	68,5%	1,442,579	72,6%	1,749,723	74,6%
Coloured	29,613	1,8%	38,720	1,9%	47,705	2%
Indian or Asian	24,716	1,5%	30,130	1,5%	30,715	1,3%
White	471,258	28,2%	474,553	23,9%	517,764	22,1%
Total	1,669,787	100%	1,985,982	100%	2,345,907	100%

5.1.2 Household income

Monthly income	2005	2007 ⁵	
	%	No	%
No income	14,4%	117,717	16,87%
R1 to R400	3,4%	17,915	2,57%
R401 to R800	10,1%	44,039	6,31%
R801 to R1 600	14,2%	128,217	18,38%
R1 601 to R3 200	14,5%	83,865	12,02%
R3 201 to R6 400	12,7%	67,029	9,61%
R6 401 to R12 800	11,1%	71,469	10,24%
R12 801 to R25 600	8,4%	45,287	6,49%
R25 601 to R51 200	3,6%	25,395	3,64%
R51 201 to R102 400	0,9%	7,303	1,05%
R102 401 to R204 800	0,5%	3,313	0,47%
R204 801 or more	0,3%	2,266	0,32%
Response not given	6%	83,792	12,01%
Total	100%	697,607	100%

5 StatsSA community survey 2007

5.1.3 Employment by age group ⁶

Age group	Employed	Percent-age employed	Unemployed	Percent-age unemployed	Not economically active	Not applicable/institutions	Total
15 to 19	12 262	0.7	15 296	0.9	147 669	18 330	193 558
20 to 25	100 923	6.1	79 091	4.8	98 745	18 489	297 249
26 to 30	135 510	8.1	60 198	3.6	31 255	10 154	237 117
31 to 35	144 087	8.7	46 167	2.8	22 045	9 702	222 002
36 to 40	140 339	8.4	31 487	1.9	19 764	6 423	198 013
41 to 45	112 351	6.8	23 231	1.4	19 958	5 619	161 159
46 to 50	96 369	5.8	15 689	0.9	17 171	5 149	134 378
51 to 55	66 069	4.0	8 260	0.5	22 114	3 358	99 802
56 to 60	40 141	2.4	3 921	0.2	24 183	2 406	70 650
61 to 65	17 369	1.0	1 299	0.1	28 460	2 211	49 338
Total	865 420	52%	284 639	34,2%	431 364	81 841	1 663 266

5.1.4 Indigent population

The City of Tshwane's social package policy allows for residents to register as indigents, provided that –

1. the total gross monthly income of all the members of the household does not exceed the joint pensions of two old age state pensioners;
2. the applicant and any other member of the household do not own fixed property other than the one on which they reside; and
3. the improved municipal value of the property on which the household resides does not exceed R150 000.

During the 2007/08 financial year, 47 774 households were registered as indigent.

» 5.2 CORPORATE PERFORMANCE REPORT

5.2.1 Strategic objectives

The Council approved the following strategic objectives as the basis for its five-year programme:

- Provide quality basic services and infrastructure
- Accelerate higher and shared economic growth and development
- Fight poverty, and build clean, healthy, safe and sustainable communities
- Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
- Ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate

⁶ StatsSA. SuperCROSS. Copyright © 1993-2008 Space Time Research Pty Ltd. 2 July 2008

5.2.2 Key performance areas

Progress at the end of June of the 2007/08 financial year

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Eradication /reduction of infrastructure backlogs	The percentage of households with access to basic levels of water, sanitation, electricity, solid waste removal, roads and stormwater, and housing (NKPI)	Since this indicator is an aggregated indicator, the backlogs per type of service differ and are discussed below per service.	Eradicate basic services backlogs according to or earlier than national targets	Water: 89% ⁷	Eradicate basic services backlogs according to or earlier than national targets	Eradicate basic services backlogs according to or earlier than national targets	563 936 households receive water	n/a	Piped water: 97,1% ⁸ (666 724 households)	SDBIP targets were based on household growth assumptions. The 2005 household survey (SSA) estimated a total of 621 210 households. Therefore the City of Tshwane planned for example that 90,8% of households would receive water.
				Electricity: 100% in the Tshwane supply area and 82% ⁹ for all areas in Tshwane			431 441 households receive electricity		Electricity: 77,4% (531 459 households)	The current CS survey indication is that we have achieved 97,1%.
				Sanitation: 95% ¹⁰			495 135 households receive sanitation		Sanitation: 97,6% (670 161 households)	The target for waste removal points includes businesses – it is the number of bins removed.
				Waste removal: 84,6%			760 634 waste removal points		Waste removal: 77,1% (529 399 households) (Community Survey StatsSA 2007)	

⁷ HSRC Tshwane citizen's report card survey done in 2006 ⁸ StatsSA 2007 community survey ⁹ HSRC Tshwane citizen's report card survey done in 2006 ¹⁰ HSRC, 2006, Tshwane citizen's report card survey

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Eradication/reduction of infrastructure backlogs	The percentage of households ¹³ with access to basic levels of housing (NKPI)	146 644 households are living in informal settlements of which 93% (136 397) are South African citizens.	Housing: 80% of 136 000 = 112 000	7609 of 620210 households, 481 155 (77,6%) have access to formal housing.	Contribute towards the national target of formalising informal settlements by 2014 by providing 6 000 top structures per annum in addition to the Gauteng 12 000 top structures per annum	6000 top structures	77,36% (486 767 out of a projected 629 218 households) have access to formal housing.	n/a	PRTs ¹¹ = 5 810 City of Tshwane = 6 152 11 962	69,9% (479 962) households live in formal dwellings ¹²
		240 969 informal dwelling units that should be formalised		Of the 146 644 households living in informal settlements at the beginning of the financial year, 139 055 still live in informal settlements, which equals 22,4% of the population of 620210.	Establish townships from informal settlements at a rate of 10% per annum	77,36% of households live in formal dwellings. (estimated 486 767 out of 629 218) ¹⁴	77,36% of households live in formal dwellings. (estimated 486 767 out of 629 218) ¹⁵	n/a	72,1% (CS 2007: Stats SA) (494 793 households out of the estimated total of 686 640 households)	The estimated number of households has increased according to the CS 2007, which impacts on the percentages achieved.
					Universal basic water by 2008 and contribute towards the national target of universal basic sanitation by 2010	Provide 12 000 residential stands with sewer and water connections	Provide 12 000 residential stands with sewer and water connections	n/a	12 000 water connections 12 006 sewer connections	

¹¹ PRT stands for Gauteng Professional Resource Team. ¹² StatsSA 2007 community survey. ¹³ For purposes of the 2007/08 financial year the total number of households in the City of Tshwane is estimated at 686 640 according to the StatsSA community survey 2007. ¹⁴ See the approved first revised IDP 2007/08 for details on the calculation of the estimated total number of households in Tshwane. ¹⁵ See the approved first revised IDP 2007/08 for details on the calculation of the estimated total number of households in Tshwane.

CHAPTER FIVE: Strategic Objectives

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
		23,6% of the total households live in informal settlements	65 settlements ¹⁶ that can be formalised By 2009, establish all informal settlements that can be established as townships and establish the rest by 2014.	18 areas were proclaimed	Establish townships from informal settlements at a rate of 10% per annum.	30% ¹⁷ of settlements that can be established	7 of the 42 remaining informal settlements		0% – only one township approved	Outstanding power of attorney It needs to be understood that there is a difference between establishing a settlement ¹⁸ , proclaiming a township ¹⁹ and formalising informal settlements ²⁰ .
	The percentage of households ²¹ with access to basic levels of water (NKPI)	Water: 20 263 ²² 600 (Functional analysis) Housing: 112 000	Universal basic water by 2008 Upgrade the 20 263 households with a below basic level of water service to at least a basic level before December 2008 Provide services to houses as they are built by the Housing Department.	20 198 water connections Households with access to basic or higher water: Tshwane report card survey (HSRC, 2006) indicates that 89% of households have access to piped water Water Department functional Analysis: 396 419 residents have access to piped water inside the dwelling 109 206 have access to piped water from a tap less than 200 m from the dwelling 82% of residents have access = 505625 households	Universal basic water by 2008	7535 (Water and Sanitation) 12 000 (Housing) 100% of informal settlements receive water	100% of households in proclaimed areas have access	n/a	97,1% of households have access to piped water 11 168 connections provided by the Water and Sanitation Division 12 000 (Housing) – see above under formalisation of settlements Total: 23 168 water connections 100% of households in unproclaimed areas have access to water through Jojo tankers.	Community survey StatsSA 2007

¹⁶ According to the HCPEM departmental detail report for the fourth quarter 2006/07 ¹⁷ In total 19 informal settlements are to be formalized accumulatively ¹⁸ Established township means a township approved by the Council. ¹⁹ Proclaimed township means a township proclaimed in the Provincial Gazette after is was approved by the Council. ²⁰ Formalising townships (Housing Department) = township that was pegged and ready for the installation of services – therefore a township where stands can be identified. ²¹ For the 2007/08 financial year, the total number of households in the City of Tshwane is estimated at 686 640 according to the StatsSA community survey 2007. ²² The water backlog was estimated at 28 869 per reviewed IDP 2006-2011, but is now estimated at 20 263 according to the information provided by the Department of Public Works and Infrastructure for the analysis of backlogs (see Chapter 2 of this report)

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Eradication/reduction of infrastructure backlogs	The percentage of households with access to basic levels of electricity (NKPI)	The Electricity Department will electrify houses delivered by the Housing Department in terms of the housing backlog. There is no backlog, other than the housing backlog and excluding figures in the Eskom supply areas	Electricity equals the housing backlog (112 000) (excluding figures in the Eskom supply areas)	11 131 13 110 in Winterveld 47 964 Eskom consumers + 445 053 Tshwane households = 493 027. This forms 79,5% of the total of 620 210 households with access to electricity. The HSRC Tshwane citizen's report card survey done in 2006 reports 82% access	Electrify 112 000 of 136 000 houses by 2011	12 000 completed and occupied houses electrified 7 200 completed and occupied houses in Winterveld electrified	100% of households in proclaimed areas	n/a	77,4% (CS 2007) 11 250 completed and occupied houses electrified 5152 completed and occupied houses in Winterveld electrified	The department reports that 380 863 households in the Tshwane distribution area and 86 240 households in the Eskom distribution areas have access to electricity, that is 467 100/686 640 = 68%. These figures are lower than the estimates derived from the StatsSA community survey, namely 77,4% (531 459 households). The funds allocated could only accommodate 11 250 + 5152 = 16 402 towards backlog eradication

²³ For the 2007/08 financial year, the total number of households in Tshwane is estimated at 686 640 according to the StatsSA community survey 2007. ²⁴ It was decided (see the five-year programme: detailed city plan) that 112 000 (82%) of 136 000 top structures will be electrified. ²⁵ Figure provided by the City of Tshwane Electricity Department in the fourth quarter report ²⁶ 420 812 City of Tshwane households with electricity according to the City of Tshwane annual report 2005/06, p16 + 11 131 + 13 110 (achievement of the year under review) ²⁷ This includes houses electrified by other partners through service level agreements.

CHAPTER FIVE: Strategic Objectives

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variances/measures to improve performance
	The percentage of households ²⁸ with access to basic levels of sanitation (NKPI)	Sanitation: 38 760 ²⁹ Housing 112 000	Contribute towards the national target of universal basic sanitation by 2010	20 849 sewer connections Households with access to basic or higher sanitation: flush toilets: 72% VIP toilets: 23% 95% with access ³⁰	Universal basic sanitation by 2010	1 500 (Water and Sanitation) 12 000 (Housing)	1 500 (Water and Sanitation) 12 000 (Housing)	n/a	97.6% (Community survey StatsSA 2007) 1 217 sewer connections (Water and Sanitation) 12 006 sewer connections Housing – see above under formalisation of settlements Total: 13 223	
Eradication/reduction of infrastructure backlogs	Length of roads upgraded to reduce the backlogs (in km)	An estimated 402 km of class 4 roads (bus routes), which are currently gravel roads. An estimated 2357 km class 5 roads (internal roads), which are currently gravel roads ³¹ .	To reduce the current backlog of roads by 14% by 2011, by 25% by 2016 and by 60% by 2020: 14% = 327.6 km by 2011	40.46 km of road There is a total of 7863 km of roads in Tshwane, of which 5536 km are tarred.	To reduce the current backlogs by 14% by 2011, by 25% by 2016 and by 60% by 2020	39.6 km (RandSW) 4000 stands (20 km of roads and stormwater (Housing Department)	88.1 km of intermediate or higher level of roads managed as a proportion of the total class 4 and 5 roads in the city	71.1 km	77.5 km (RandSW) 7 162 stands (44.76 km) (Housing Dept)	IDP target exceeded

²⁸ For the 2007/08 financial year the total number of households in Tshwane is estimated at 686 640 according to the StatsSA Community survey 2007. ²⁹ Previously estimated at 96 426 (City of Tshwane reviewed IDP 2006-2011) now estimated at 38 760. Figure provided by the Department of Public Works and Infrastructure for the analysis of backlogs (see Chapter 2 of this report). ³⁰ HSRC, 2006, Tshwane citizen's report card survey. ³¹ Figures from a report that served before the Council on 25 January 2007: defining service levels. ³² Note: The current estimated cost of backlogs regarding roads is R6 200 million and regarding stormwater R1 200 million.

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
	Length of intermediate or higher level of stormwater drainage systems managed to reduce backlogs			39.7 km of storm-water	To reduce the current backlogs by 14% by 2011, by 25% by 2016 and by 60% by 2020	38.1 km of storm-water	81.2 km of storm-water	88.9	89.8 km	Target exceeded
Eradication/reduction of infrastructure backlogs	The percentage ³³ of households with access to basic levels of solid waste removal (NKPI)	146 664 (households in informal settlements – 44 162 ³⁴) (households provided with skips and refuse removal by plastic bags – 102 502)	Universal access to solid waste removal by 2011	7 500	Universal access to solid waste removal by 2011 (72 000 over the next five years)	18 000 (Reduce the backlog of 102 502 by 18 000)	18 000 in informal areas	n/a	25% of 160 052 households = 40 000 households in informal settlements	Awaiting a final resolution from the Council regarding 85/240 l containers
				84.6% of households with access to basic or higher waste removal services						
				90% households in formal areas with access to full (kerb-side) waste removal ³⁵						
				36% in informal areas have weekly refuse removal ³⁶						

³³ For the 2007/08 financial year the total number of households in the City of Tshwane is estimated at 686 640 as per StatsSA Community survey 2007. ³⁴ City of Tshwane annual report 2005/06, p 187. ³⁵ HSRC, 2006. Tshwane citizen report card survey. ³⁶ HSRC, 2006. Tshwane citizen report card survey

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Provide quality infrastructure for growth	Provision of infrastructure per type as a proportion to new demand/need (growth)		Provide infrastructure that meets growth demands and prevent the creation of new backlogs ³⁷	The infrastructure prioritised to deliver on the new demand for services in the city was the following: - Electricity - Housing top structures - Waste service points - Parks - Water infrastructure - Roads - Stormwater drainage - Sewer infrastructure	Provide infrastructure that meets growth demands and prevent the creation of new backlogs	See details for each function below				
			Provide 11 131 new electricity infrastructure developments per projected annual growth	Electricity 6 305 infrastructure developments were added to the network. 3 839 of these were provided by private developers.	Provide 11 131 new electricity infrastructure developments per projected annual growth	2 100	4 629 (projected growth for households requiring full services)	n/a	6 375	Provided by private developers
Provide quality infrastructure for growth	Provision of infrastructure per type as a proportion to new demand/need (growth)		Provide 10 000 top structures per annum per projected annual growth	Could not be achieved owing to resource constraints. Focus on the eradication of backlogs first as approved in the second quarter report of 25 January 2007	KPA removed owing to insufficient resources					

³⁷ A decision was taken at the end of the second quarter of the 2006/07 financial year to focus on the eradication of backlogs (see the second quarter organisational performance report, Annexure A 1.2.2), rather than providing infrastructure for growth, owing to resource constraints. This decision specifically relates to Housing but will consequently impact on Water and Sanitation, Electricity and the other infrastructure departments.

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Provide quality infrastructure for growth	Provision of infrastructure per type as a proportion to new demand/need (growth)		Provide 112 294 new waste service points ³⁸	Waste service Total of 13 078 new service points provided, excluding 85 l containers which were none.	Provide 54 000 new waste service points over the next five years	16 000	16 000	n/a	11 830	
	Installation of bulk water pipelines (m) (new, upgrading and replace)		1 000 km of water pipes provided for growth	Water infrastructure Water: 110,7 km bulk water and water network pipes provided	35 990 m of bulk water pipelines	43 453 m	19244 m	45453 m	19 244 m	See the footnote for details ⁴⁰ .
	Installation of internal water network pipelines (m) (new, upgrade and replaced)				1 000 740 m	355 002 m	317 386 m	355 002 m	317 386 m	See the footnote for details ⁴¹ .

³⁸ Baseline is 715 356 service points with about 3% annual growth

⁴⁰ Various projects contribute to this KPI:

710308: Planned 7863 m – actual 4745 m, owing to excessive rock, high ground water levels.
710383: Planned 4000 m – actual 3630 m, pipeline overestimated.
710391A & 710392A: Planned 8100 m – actual 0 m, R22 m DWAF funds spent on network refurbishment.
710393A: Planned 573 m – actual 0 m, legal process with road reserves caused delay.
711328B: Planned 1200 m – actual 840 m, delay in pipe delivery.
711328C: Planned 3400 m – actual 0 m, delay in pipe deliveries and national steel shortage.
711331: Planned 1330 m – actual 0 m, late appointment of consultant by Rand Water.
711332: Planned 4500 m – actual 0 m, delay owing to contractor not having the required CIDB grading.
711335A: Planned 1800 m – actual 2950 m, work accelerated.
711335C: Planned 4100 m – actual 0 m, delay owing to lengthy procurement process and steel shortage.
711338: Planned 2700 m – actual 2573 m, excessive rock and GDACE authorisation.
711339: Planned 1000 m – actual 1574 m, backlog of previous year eradicated.
711340: Planned 2687 m – actual 2932 m, delay in GDACE authorisation in previous year.

⁴¹ Various projects contribute to this KPI:

710023: Planned 7200 m – actual 8092 m, construction was accelerated.
710025: Planned 2500 m – actual 7060 m, construction was accelerated.
710026: Planned 27390 m – actual 37525 m, construction was accelerated.
710031: Planned 3300 m – actual 1230 m, project schedule amended owing to Vodacom installing cables in the area.
710390: Planned 128000 m – actual 113886 m, excessive ground water affected progress.
710391A: Planned 52000 m – actual 247969 m, construction started late because contractor was committed to another project.
710392A: Planned 20380 m – actual 30515 m, contractor ahead of schedule.
710878B: Planned 1000 m – actual 0 m, delays owing to the procurement process.
710878F: Planned 9000 m – actual 18383 m, initial delay owing to extensive rain, construction was accelerated.
711410: Planned 4000 m – actual 4581 m, construction accelerated.
711533: Planned 92982 m – actual 60488 m, pipeline to be installed was overestimated.
712527: Planned 1500 m – actual 1495 m, project ahead of schedule.
712528: Planned 1500 m – actual 3216 m, construction was accelerated.
712594: Planned 1500 m – actual 1966 m, project ahead of schedule.
712596: Planned 3000 m – actual 39801 m, construction was accelerated.

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
	Increase reservoir capacity (megallitres)				99 Ml	0 Ml	0 Ml	0 Ml	0 Ml	Project preplanning and no actual construction planned for 2007/08.
Provide quality infrastructure for growth	Provision of infrastructure per type as a proportion to new demand/need (growth)		Provide 70 km of new road for growth	Roads 37,5 km of roads for growth	Provide 70 km of new road for growth.	12,4	23,9 km of roads for growth	21,83 km	51,7 km	Township developers completed more work than expected owing to the boom in the economy.
			Provide 28 km of new stormwater drainage systems	Stormwater drainage 34,48 Km of stormwater drainage for growth provided	Provide 28 km of new Stormwater drainage systems	4,4	7,8 km of stormwater	19,7 km	35 km	Township developers completed more work than expected owing to the boom in the economy.
	Length (m) of bulk sewer pipelines (new, upgrade and replace)		Provide 1500 km of sewer pipes to cater for growth	Sewer infrastructure Sanitation: 31,08 km bulk sewer and sewer network pipes provided	Increase sewer infrastructure from 2006/07 - 2012 to: 22 374 m bulk sewer pipelines	7 523 m	6 597 m	7 523 m The department changed this to 1507 – it is not clear where this target comes from	6597 m upgraded. 0 new	Various projects contribute to this KPI. See footnote ⁴² .
	Length (m) of internal sewer network pipelines (new, upgrade and replace)				Increase sewer infrastructure from 2006/07 - 2012 to 415 628 m internal sewer network pipelines	61 268 m	47 425 m	61 268 m	0 new 47 425 m upgraded and replaced	Various projects contribute to this KPI. See footnote ⁴³ .
	Increase waste water treatment capacity (megallitres)			380 Ml/d	Increase sewer infrastructure from 2006/07 - 2012 to 35 Ml/day waste water	20 Ml/d	0 Ml/d	20 Ml/d	0 Ml/d	Increase in capacity planned for the end of the 2007/08 financial year, is delayed to July 2008 owing to civil contractor not being on schedule. Full penalties paid by civil contractor.

⁴² 7110007: Planned 1500 m – actual 1266 m, delay owing to heavy rain.
711528: Planned 2100 m – actual 914 m, pipes to be installed overestimated.
712121: Planned 2416 m – actual 4417 m, project ahead of schedule.

⁴³ 7110010A: Planned 300 m – actual 0 m, rescheduled owing to a lack of funding.
710753: Planned 17148 m – actual 28003 m, excessive rock and groundwater conditions.
710878: Planned 28800 m – actual 0 m, delay with site layout, project rescheduled.
711404: Planned 10260m – actual 12373 m, initial delay owing to GDACE, construction was accelerated.
711528: Planned 4080m – actual 6369 m, pipes were underestimated.
711526: Planned 680 m – actual 680 m, project had to be rescheduled, new contractor was appointed.

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Ensure maintenance of existing infrastructure	Percentage expenditure on infrastructure maintenance (R)		Expenditure on infrastructure maintenance is in line with national norms and standards by 2011	Repairs and maintenance to total operating income 9,13% ⁴⁴ R725 763 000	Expenditure on infrastructure has increased to 14% by 2011	9.24%	10.93%	9.24%	16%	
Ensure that resources are used optimally	Percentage unaccounted for water		Percentage unaccounted for water losses to be in line with internationally accepted benchmarks by 2011	WATER: 27,8%	Reduce unaccounted for water to 26% in 2011 (about 1% reduction per year) ⁴⁵	26,9%	27,9%	26,9%	April 2008: 27,9%	UAW is calculated retrospectively (about three months lag). Reduction of 1% a year until such time that the billing information on SAP has been stabilised. The division is implementing the Water Loss Management Strategy. Further details in footnote ⁴⁶
Ensure that resources are used optimally	Percentage unaccounted for electricity		Percentage unaccounted for electricity losses to be in line with internationally accepted benchmarks by 2011	ELECTRICITY: 8,36%	Reduce unaccounted for electricity in line with internationally accepted benchmarks	9%	9% departmental target	n/a	9,5%	Data on electricity sales is only available up to mid-May 2008 and therefore a projected figure for unaccounted electricity is included
Optimise labour intensity and community involvement	Number of service delivery initiatives with local labour content as a proportion of the total		By 2011 all labour-intensive initiatives of the City of Tshwane should have 90% local labour	All infrastructure departments achieved 100% Details in footnote ⁴⁷	By 2011 all labour-intensive initiatives of the City of Tshwane should have 90% local labour	Public Works and Infrastructure Development: 40% Water and Sanitation: 30% Electricity: 40%	No corporate target	n/a	Water and Sanitation: 27.84% Electricity: 100% Roads and Stormwater: 100%	Delays and the underestimation of total labour needed for construction has affected the planned percentages.

⁴⁴ Information according to Finance Department report dated 27 July 2007 on the provisional financial statements.
⁴⁵ The percentage reduction in UAW on an annual basis is revised to 1% until such time that the billing information on SAP has been stabilised as resolved in accordance with the special report to the City Manager dated 20 April 2007. The baseline was, however, 26% and becomes 29,8% on a recalculation.
⁴⁶ The normal schedule for the calculation of UAW is as follows, say for month x: Receive the data middle of month x+1
Data analysis about one week.
IMQS population about one week.
Therefore data update on IMQS first week in month x+2.
Implementation of the Water Loss Management Strategy.
⁴⁷ Eight of the ten capital projects initiated at Wonderboom Airport were done with a large contingent (50% to 80%) of local labour.

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Leverage growing and strategic sectors in the city in a way that optimises investment opportunities and focuses on establishing an integrated economy	The number of initiatives (including capital projects) led by the City of Tshwane that focus on strategic and growing sectors as a proportion of the total		All City of Tshwane local economic initiatives should focus on growing and strategic sectors with strategic partners by 2008. See footnote for details ⁴⁸	See footnote ⁴⁹	All initiatives led by the City of Tshwane should focus on growing and strategic sectors by 2008	All initiatives led by the City of Tshwane should focus on growing and strategic sectors by 2008	Increase the number annually. Focus on, ICT, Biotechnology, aerospace village	n/a	Automotive sector support report	The ICT, Logistics Hub and Bio-Tech clusters were transferred to Agriculture and Environmental Management, Public Works and Infrastructure and the Office of the Chief Information Officer. There is ongoing consultation between LED and the above department.
	Percentage growth in the City of Tshwane GVA ⁵⁰		6% growth of GVA ⁵¹ per annum	The GVA per capita for the City of Tshwane in 2006 was R48 399. The City of Tshwane achieved 7.8% GVA growth for the period 2006-2007 according to Global Insight ⁵²	6% growth in the City of Tshwane GVA	6%	6%	n/a	5,9%	According to Global Insight, the GVA in 2007 was R157,741 billion and the GVA growth rate for 2007 was 5,9% at current prices

⁴⁸ The sectors where the City of Tshwane can influence growth directly are: knowledge-intensive industries; information and communications technology; biotechnology; electronics; advanced materials; manufacturing; defence spin-off technologies; aerospace cluster; automotive cluster; logistical cluster; urban agriculture; tourism; 2nd economy. ⁴⁹ Smart City initiative with the Office of the Executive Mayor, Electricity, City Planning and IMD; Information and Communications (ICT SECTOR with IMD and City Planning); Biotechnology (Bio-tech Sector with Agriculture); Automotive cluster (Auto sector with Infrastructure and Public Works, City Planning); Aerospace cluster; The entire Wonderboom Airport capital budget was earmarked to influence growth of the Aerospace cluster. The Economic Development Department had 12 approved capital projects of which the sectors focused on were as follows: 7 on urban agriculture; 2 on the second economy; 2 on tourism (i.e. 11 out of 12 projects focused on growing and/or strategic sectors) ⁵⁰ Page 180 of cities network 2004. The percentage growth of GVA (gross value added) in Tshwane (2002) was 5%, but its contribution to National GVA for 2002 was 10%. These are 2 separate measures. ⁵¹ GVA = GDP, taxes on products + subsidies on products. Therefore $GVA = (C + I + G + (X - M)) - T_c + T_{pc}$. ⁵² Information provided by the Economic Development Department for the fourth quarter report



KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Regeneration and development of potentially viable economic nodes focusing on the inner city and targeted areas based on efficient land use	% of inner city regeneration compared to the total need in terms of: a) businesses b) open space c) social infrastructure d) economic infrastructure e) historical buildings		80% of needs in terms of regeneration of the inner city achieved by 2011, in terms of: a) businesses, b) open space c) social infrastructure d) economic infrastructure e) historical buildings ⁵⁷		80% of needs in terms of regeneration of the inner city achieved by 2011, in terms of: a) businesses, b) open space c) social infrastructure d) economic infrastructure e) historical buildings ⁵⁸	None	None	n/a		- Commissioned Urban Econ to develop a Business Retention and Attraction Strategy - Entered into a partnership arrangement with NWDC/AIDC to establish enterprise incubators in Babelegi and Ga Rankuwa - The approved Inner City Spatial Development Framework giving effect to four planning precincts. - Signing of the MOU with the Department of Public Works on Rekhabisa Tshwane Project. - Technical team on the implementation of the Lillian Ngoyi Square - Opening of the Bloed Street taxi mall
Increase participation and broaden the contribution in growing the city's economy through the development of SMEs, cooperativecooperatives and the informal sector	Number of SMEs and/or cooperatives that empower black people, women and the youth supported and developed		At least 8 000 SMEs and/or cooperatives by 2011, of which 75% are to be black person/women/youth owned	20 were supported by Electricity 3 091 were supported by Economic Development	Develop and support at least 8 000 SMEs and/or cooperatives by 2011 ⁵⁹	10 (Electricity) 1 600 (Economic Development)	600 SMEs developed 300 SMEs supported 300 Cooperatives supported 30 Cooperatives developed	n/a	54 (Electricity) 237 (FPM) 55 (Agric and EM) 5 (Transport Planning) 2007(LED)	

⁵⁷ Capital Theatre, Palace of Justice (Mandela holding cell), Synagogue Rivonia Trial. ⁵⁸ Capital Theatre, Palace of Justice (Mandela holding cell), Synagogue Rivonia Trial. ⁵⁹ Contribute to 2010 legacy projects through establishment of Fan Parks with broadcasting rights, Tshwane Tourist memorabilia opportunities, Apply for selling rights & sponsorship rights from FIFA, Alternative transport opportunities e.g. Rickshaws (Tourism contribution).

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Establish strategic partnerships to ensure a focused common vision and good economic governance value system	Rand value of investment in Tshwane as a direct result of strategic partnerships		The baseline for current rand value should be determined in 2006 and then a target set	R106 million was invested in total	Achieve at least R300 m of investment in Tshwane as a result of strategic partnerships.	R150M	No corporate target	n/a	About R713,9 million has been invested in the Auto Sector	
	% of business in Tshwane indicated that the City of Tshwane's efforts to create an enabling business environment have improved over the past year		80% of business indicated satisfaction with the City of Tshwane's efforts to create an enabling business environment by 2009	45% of businesses surveyed rated the City of Tshwane's efforts as 'average' to 'very good' in creating an enabling environment for business development. ⁶⁰ 62% of formal and 28% of informal businesses	80% of business indicates satisfaction with City of Tshwane's efforts to create an enabling business environment by 2009	none	none	n/a	62% of Formal Business rated City of Tshwane's efforts as average to good. 28% of Informal Businesses rated City of Tshwane as average to good. Many indicators changed in the SDBIP to improve measurability of indicators.	
Implement job creation initiatives	The number of jobs created through a Municipality's (local economic development) initiatives, including capital projects (NKPI)		Create at 5 000 permanent jobs with strategic partners per annum from initiatives (LED),including capital projects	100- LED 59000 ⁶¹	Create at 5 000 permanent jobs with strategic partners per annum from initiatives (LED), including capital projects	5000	5000 formal jobs in the economy	n/a	40 000 ⁶² 30 (FPM) 20 (Agric and EM) 1 500 direct jobs created in the auto sector (LED) and 3300 indirect jobs to be created	
			Create at least 53000 short term jobs ⁶³ from initiatives (LED),including capital projects (NKPI)	3 663 – LED 100 – Transport 143 – Agricultural trading 1 730 - Water and Sanitation 832 - Roads and Stormwater 802 – Electricity TOTAL: 7270	Create at least 53000 short term jobs ⁶⁴ (ie 10 600 per annum) from initiatives (LED), including capital projects (NKPI)	552 (RandSW) 509 (Water and Sanitation) 10 (Transport) 600(Electricity) 60 (Agricultural Trading) 1760 (Housing) 45 WBA TOTAL: 3 536	None	n/a	1385 (RandSW) 918 (Water and Sanitation) 120(Transport Planning) 915 (Electricity) 85 (FPM) 24 (Agric and EM) 112 (Housing) (HSD) 30 (WBA) 8 (LED) TOTAL: 7 737	

⁶⁰ Marketing Surveys and Statistical Analysis (MSSA), 2007. Tshwane Business satisfaction survey. ⁶¹ Source Global Insight (2008). ⁶² Source Global Insight (2008). ⁶³ Number of short term jobs created in the execution of projects (CoT Standard is 1 Job = 240 man days). ⁶⁴ Number of short term jobs created in the execution of projects (CoT Standard is 1 Job = 240 man days).

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Intercept the cycle of poverty by investing in human resource development programme that optimise the wellness and potential of our people from birth throughout life	Departmental level KPA		No target	Estimated 318 054 h/holds spend less than R1200.00 per month. ⁴⁵	There is no city level indicator for the KPA – therefore it is not possible to report progress on the interception of poverty at this level. Refer to functional reporting on projects and initiatives.					
	Number of essential skills development initiatives implemented in communities in partnership with key role-players such as the SETAs and in line with the sector skills plans		Implement at least 1 community skills development initiative per community per annum	6	Implement at least 1 community skills development initiative per community per annum	2 (CSS) 2 (HSD)	None	n/a	1 (SRAC) 38 (Hand SD) 210 community members trained (ED)	Operational indicators taken to the departmental plans from the 0708 year
Reduce the burden of poverty through an effective indigent policy that enhances the access for all those who qualify and link indigent families to targeted poverty alleviation programmes that would improve household income	% of the population living below R3000.00 per annum in constant 2000 rand		None	None	None	None	224 256 or fewer households living below the poverty line	n/a	47,6% (1 116 297) of the population live on R3000 or less per annum – this is a total population figure) (STATSA Community survey 2007 estimate) ⁴⁶	148 915 households to be living on an income of R4 800 or less per annum (20,8% of the total number of estimated households (713 407) ⁴⁷
	% of households earning less than R1700 ⁴⁸ per month with access to free basic services (NKPI)		100% of households earning less than R1100 per month have access to free basic services (NKPI)	For the financial year 2006/07 a policy was in place ensuring free basic services (water, sanitation and electricity) to all households in formal areas.	100% of households earning less than R1700/m have access to free basic services (NKPI)	100%	65 097 households (25,9%)	20,7% (52000 divided by 251215)	47 774 households according to indigent register. 307 888 (15,5% of households) households in the City of Tshwane earning less than R1 600 per month. ⁴⁹	

⁴⁵ The StatsSA General Household survey for 2006. This is out of an estimated 626 011 households, i.e. 50,8% of households in the city. ⁴⁶ CS 2007 (Stats SA) indicates 19,4% (133 483 households) earning an income of R4800 or lower per annum. ⁴⁷ The draft Tshwane Household survey done by Market Research Solutions in commission of the City Planning Department. ⁴⁸ Approximately twice the pension amount per month- and will change as pensions change. Therefore reporting will not be against R1100 per month. ⁴⁹ According to the StatsSA 2007 community survey. ⁵⁰ According to the StatsSA 2007 community survey.

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Reduce the burden of poverty through an effective indigent policy that enhances the access for all those who qualify and link indigent families to targeted poverty alleviation programmes that would improve household income	Percentage of households earning less than R1700 ⁷⁰ per month with access to free basic services (NKPI)		100% receive free basic Electricity	100% in the Tshwane supply area. 31 611 of 42 337 (77%) in Eskom supply areas	All households that earn less than R1700 receive free basic services	100% in the Tshwane area of supply	65097 households receive free basic services	n/a	70 000 customers including Eskom areas	47774 from the indigent register
	% of households earning less than R1700 ⁷¹ per month with access to free basic services (NKPI)		100% receive free waste removal services	90 000 households have access to free basic services by the placing and emptying of 90 skips in informal areas per month Of the 90 000 households 39 609 receive free plastic bags 24, 75%	100% receive free waste removal services	100% receive free waste removal services	65097 households receive free basic services	n/a	100%	47774 from the indigent register
	% of households earning less than R1700 ⁷² per month with access to free basic services (NKPI)		100% receive free basic water	100% of formalised households receive free basic water 391,227 households receive free basic water (Detailed departmental analysis) 100% of informal settlements receive water via JOJO tankers	100% receive free basic water	100% receive free basic water	65097 households receive free basic services	n/a	47774 indigent households receive free basic water 100% of informal settlements receive water via JOJO tankers	This applies to households registered on the indigent register and achievement is based on the number of households registered.

⁷⁰ Approximately twice the pension amount per month- and will change as pensions change. Therefore reporting will not be against R1100 per month. ⁷¹ Approximately twice the pension amount per month- and will change as pensions change. Therefore reporting will not be against R1100 per month. ⁷² Approximately twice the pension amount per month- and will change as pensions change. Therefore reporting will not be against R1100 per month.

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	% of households earning less than R1700 ⁷³ per month with access to free basic services (NKP)		100% receive free basic sanitation	100% in formal areas	100% receive free basic sanitation	100% receive free basic sanitation	65097 households receive free basic services	n/a	47774 Indigent households receive free basic sanitation 100% of informal settlements have access to chemical toilets	This is dependent on the registration of indigent
Promote viable communities by establishing mixed human settlements closer to economic opportunities with social, cultural and economic development programmes that enable celebration of diversity and foster social inclusion.	% of settlements close to economic opportunities		70% of settlements close to economic opportunities either through being located there or by having opportunities developed in their area	The Department reported that a total of 27 applications for development close to economic opportunities were approved. 80% of these applications were within 5 km of economic opportunities.	20% of all new settlements close to economic opportunities by 2011	3%			83% (81 townships) ie 83% of 81 township applications were within 5 km of economic opportunities ⁷⁴	To increase the measurability of this indicator the following is used:
	% community satisfaction with quality of life			60%			60%+	n/a	87% of residents do not consider relocation to another city. Majority of Formal Businesses expect turnover to be higher for the current financial year. Majority of Informal Businesses expect turnover to remain the same as 2006/07 year.	According to Tshwane Household survey
Decrease the vulnerability of targeted groups at risk through mainstreamed programmes for children, youth, women, disabled and elderly	Number of initiatives implemented that benefit vulnerable groups		Implement a minimum of 100 initiatives that benefit vulnerable groups by 2011	1 (SRAC) 15 (HandSD)	Implement a minimum of 100 initiatives that benefit vulnerable groups by 2011	5	1 (SRAC) 20 (HandSD)	n/a	1 (SRAC) 245 (HandSD)	

⁷³ Approximately twice the pension amount per month- and will change as pensions change. Therefore reporting will not be against R1100 per month. ⁷⁴ "Close" is defined as within a 5 km radius. "Economic opportunity" is identified economic nodes and corridors as per the Tshwane Spatial Development Strategy. It is proposed that the indicator be changed to: Number of new settlements developed / townships established within a 5 km radius of economic opportunities (nodes and corridors identified in the Tshwane Spatial Development Strategy).

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Promote a culture of competitive and professional sports activities and prepare the city to host the Africa and World Soccer cups in 2009 and 2010 respectively	Number of world class sports events taking place in Tshwane		10 world class sports events by 2011 (ie 2 per annum)	6 events were held	10 world class sports events by 2011	2	No corporate level target	n/a	4	
Ensure the safety of our communities, businesses and roads through fostering a culture of respect for the rights of all	% of residents in Tshwane that indicated that the Municipality's efforts to promote a safe environment by enforcing laws have improved over the past year.		95% of residents surveyed by 2009 indicated that the Municipality's efforts to promote a safe environment by enforcing laws have improved over the past year	The Residents' and business satisfaction survey (2006) ⁷⁵ indicated that 57% of Business managers/owners and one third of households reported seeing a metro police officer in their area at least once a day, while a further quarter saw an officer at least once a week. One in five households (20%) indicated that they never saw an officer in their area.	95% of residents surveyed by 2009 indicated that the Municipality's efforts to promote a safe environment by enforcing laws have improved over the past year	No specific annual target.	No corporate target	n/a	No survey done	Annual perception survey – it was resolved that survey be done after completion of the ASD Regional Model

⁷⁵ City of Tshwane Customer Care Division 2006.

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KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Decrease the crime levels working with the National Criminal Justice System, the South African Police Services, Business and communities, ensuring visible policing and strengthening the municipal court system	% reduction in residential burglary		Achieve a decrease of 1% below the Gauteng crime levels per type of crime	Not reported	Achieve a decrease of 1% below Gauteng crime levels for crimes identified as a priority in Tshwane	To be determined	10%	n/a	City of Tshwane: -2,95% Gauteng: -3,96%	
	% reduction in business burglary			Not reported					City of Tshwane: +1,9% Gauteng: + 6,83%	
	% reduction in vehicle theft			Not reported					City of Tshwane: - 2,2% Gauteng: - 4,12%	
	% reduction in car hi-jacking			Not reported					City of Tshwane: + 1,05% Gauteng: + 6,9%	
	% reduction in assault			Not reported					City of Tshwane: - 0,65% Gauteng: + 0,32%	
	% reduction in rape			Not reported					City of Tshwane:- 4,85% Gauteng: -3,3%	
	% reduction in public violence			Not reported					City of Tshwane: - 1,1% Gauteng: -2,3%	
	% of uninsured population who have access to municipal health services (as a factor or availability of clinics, health care practitioners and essential drugs)			98% of households have access to PHC within a radius of 5 km.					100%	
Promote a clean, healthy and sustainable environment and reduce the burden of preventable diseases on our people and our economy including Chronic illnesses, TB, HIV and Aids.	% of uninsured population with access to personal PHC services		100% of uninsured population have access to municipal health services	98%	100% of population have access to municipal health services	80% of households with an access to PHC within a radius of 5 km	100%	n/a	98%	

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Ensure that the city has a disaster prevention and management plan as well as optimal capacity to respond to emergencies.	The preparedness of City of Tshwane to prevent and manage a disaster or emergency as reflected in interdepartmental cooperation structures, availability of people, procedures, equipment and information per type of emergency and disaster.		City of Tshwane is prepared for 70% of possible disasters in line with the disaster management plan, and 90% prepared for emergencies in terms of the emergency management plan.	The department achieved a score of 129% which means that it had over achieved against its targets for the financial year against the index for preparedness for emergencies and disasters.	City of Tshwane has documented a Disaster Risk Management Plan (on 3 levels) with responsibilities identified and contingency planning implemented by all departments and entities	1 level 2 plan	No corporate target	Upgrade to level 2 plan	Level 2 DRM plan developed Draft DRM Framework work approved	
	Number of community safety and life threatening incidents responded to per annum		48012	53 637	48012	88% of fire incidents responded to, 87% of specialised and humanitarian requests and 2700 hazardous substance activities	12 000	n/a	60 915 ⁷⁶ (ambulance services) Fire Brigade (All incidents 12 276)	
Optimise effective community participation in the ward committee system by strengthening the capacity and effectiveness of the ward committees to support the ward councillors' capacity to engage in sectoral activities.	Number of initiatives implemented to strengthen ward committees		The number of initiatives implemented is in line with needs identified	1 induction programme 2 Housing Consumer education workshops for councillors and ward committees	Complete implementation of initiatives		No SDBIP target		The ward committees are being reimbursed for the out of pocket expenses is being paid out to all members after every formal meetings and activities of public participation.	
Strengthen ward committees capacity to engage in sectoral activities linked to the national, provincial and city-side programmes through amongst others the support of the involvement of the Community Development Workers (CDW) programme.	% of ward committees functioning actively performing the functions of ward committees in the system of participatory democracy		100% of ward committees fulfilling their functions	7 out of 76 wards not fully functional 92,8% of ward committees function actively.	100% of ward committees fulfilling their functions	100%	100%	n/a	99%	75 of 76 wards functional. 1 ward committee officially declared unofficial and therefore did not perform. (Citizens Scorecard Survey). Footnote for additional notes ⁷⁷

⁷⁶ This figure includes the patient head count + the selective standby services. ⁷⁷ Business Satisfaction reported that 83% of Informal and 85% of Formal Businesses are Un/aWARE of the ward committee. 80% Informal and 84% Formal Businesses are Un/aWARE of their ward councillor. 92% Informal and 93% Formal Businesses are Un/aWARE of the councillors' role and function. Tshwane Survey indicated that 58% of residents do not know their ward councillor and less than 30% participated in ward committee meetings.

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KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Entrench a customer focused approach to citizenry and business by setting standards that we achieve guided by the Batho Pele principles	Number of service delivery areas that comply with Batho Pele norms and standards		All areas of service delivery comply by 2010	A norms and standards document has been submitted for approval by the Customer Care Division. Report of the Office of the Municipal Manager: Setting Customer Care Service Standards was approved by the Municipal Manager on 22 May 2007.	All areas of service delivery comply by 2010	Establish norms and procedures for service delivery areas 18 walk-in centres have implemented Batho Pele operating procedures	100% compliance	n/a	CRM: 23 walk-in centres have implemented with 4 centres with Batho Pele operating procedures namely Akasia, Centurion, Soshanguve and Muntoria. 4 City Planning 11 Electricity	CRM had a specific target of implementation strategy on norms and standards by 3rd quarter
Entrench a customer focused approach to citizenry and business by setting standards that we achieve guided by the Batho Pele principles	% of quality standards achieved in terms of response times to customer requests/complaints		Reduce customer complaints relating to CTMM responsiveness by 5% per annum and 95% of complaints responded to within 14 days by 2011	Not reported	None	CRM: 90% of complaints handled immediately	85% 90% of complaints handled immediately (Customer Care)	n/a	91% (CRM)	
					Water: 75% in 48 hours Sanitation: 80% in 8 hours	Water: 75% in 48 hours Sanitation: 80% in 8 hours	Water: 75% in 48 hours Sanitation: 80% in 8 hours	Water: 75% in 48 hours Sanitation: 80% in 8 hours	Water: 75% in 48hrs Sanitation: 75% in 8 hrs	Target achieved. Severe pipe breakages on large diameter pipes took longer than 48hrs to repair. Lack of appropriate materials and skilled staff caused delays.
					No target	No target	Electricity NRS 047 ⁷⁸ : 100% Electricity NRS 048 ⁷⁹ : 80%	n/a	100%	
			No target		No target	No target		n/a	76%	

⁷⁸ NRS 047 standards are regulating electricity supply quality of services. NRS 047 sets the standard for processing of requests for supply, revenue management, repair of customer faults, frequency and repair of network faults, the handling of consumer complaints, provision and maintenance of street lighting and consumer education. ⁷⁹ NRS 048 sets the technical standards to which suppliers should adhere.

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Ensure access by communities and stakeholders to the system of petitions and ensure its responsiveness and efficiency	% key issues consulted on with community members in formal participatory processes before key decisions		Achieve 100% consultation per key issue	Not reported	Achieve 100% consultation per key issue		n/a	n/a	IDP consulted on needs id and draft IDP Report on the changes to the city scorecard as per the SDBIP sent to Council. MTEF consulted on.	The 0708 SDBIP was developed on the changed City scorecard.
Good governance	The% of residents of Tshwane who have indicated that City of Tshwane governs well		95% of City of Tshwane residents surveyed indicated that City of Tshwane governs well	The Tshwane's Residents and Business satisfaction survey for May 2007 ⁸⁰ indicated the following. See footnote : ⁸¹	95% of City of Tshwane residents surveyed indicated that City of Tshwane governs well	No target	No Corporate level target defined for the year in the SDBIP	n/a	15,4% of respondents were dissatisfied with accuracy and correctness of monthly accounts on the 10-point scale 43,9% of respondents dissatisfied. 38,4% satisfied.	CRM did not conduct the perception survey due to ASD processes, however the draft Tshwane Household survey done by Market Research Solutions in commission of the City Planning Department was used. A city wide perception survey will be done in the new financial year.
Good governance	Audit qualifications to the annual report		CTMM achieves unqualified audits	2006/07 financial statements qualified in 6 areas. See footnote for details. ⁸²	City of Tshwane achieves unqualified audits annually	No qualifications	No qualifications	n/a	0708 information not yet available. Awaiting AG feedback by 31 Dec 08.	

⁸⁰ City of Tshwane. Customer Care Division. 2007 (Research report for the City of Tshwane Metropolitan, June 2007, page 98). ⁸¹ Less than half (46%) of total sample (n = 1200) felt that the CoT is doing a good job in delivering the service needed. ⁸² Property, plant & equipment; Creditors; Material losses, fruitless & wasteful expenditure; Provision for rehabilitation of landfill sites; Assessment rates & property values disclosed; RSC levies.

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KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Good governance	Number of days taken before approved minutes of meetings are finalised and distributed		No target	No report	No target	No target	6 working days	n/a		The department indicates that reporting on this is impossible. Resolutions of meetings are finalised four days after the meeting and distributed to departments. Minutes of meetings are approved at the subsequent meeting and only distributed on request.
Good governance	Number of judgments against the City of Tshwane		Decrease the legal claims against the Municipality by 1,5% per annum	Not reported	Decrease the legal claims against the Municipality by 1,5% per annum	25%	Reduce by 5%	n/a	Total: Judgements against = 11, judgements for = 30, settlements = 43 Claims and collections: Judgements against = 5, judgements for = 5, settlements = 32 Litigations: Judgements against = 6, judgements for = 25, settlements = 11	
	Number of City of Tshwane buildings compliant with building regulations as a proportion of total City of Tshwane owned buildings		All municipal-owned buildings are compliance with the OCHSA and City of Tshwane building regulation by 2011	100% of Council owned buildings for which the Building Maintenance Section is responsible	All municipal-owned buildings are compliance with the OCHSA and City of Tshwane building regulation by 2011	8 All municipal properties structurally analysed	85% Akasia Buildings 100%	n/a	85% Akasia Buildings: 96%	Departmental target reported in Departmental Annual report: "70% of Properties that Building Maintenance Section is responsible for" Funds insufficient for 100% compliance in the 2007/08 financial year
	R operating cost per fleet vehicle owned by the City of Tshwane		No target	R126 400	n/a	No target	R126 400	Not reported	Not reported	Not reported
	R operating cost per fleet vehicle leased by the City of Tshwane		No target	R 175 800	n/a	No target	R 175 800	Not reported	Not reported	Not reported

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
	Number of departments compliant to the National Archives Act as a proportion of all Departments		100% Compliance with National Archives Act by 2010	20%	no target	no target	No defined target	87%	60%	
Sustainability management	% of municipal debt over 90 days		Reduce municipal debt over 90 days from 78% to 68% by 2011.	75%	Reduce municipal debt over 90 days from 78% to 70% by 2011	74% over 90 days	No SDBIP target	n/a	73,6% (provisional figure period 12)	
	Efficiency gains in Rand value due to the implementation of alternate service delivery mechanisms		A comparison of expenditure before and after implementation of alternate service delivery mechanisms shows savings by 2011	Cost of remuneration financial 2006/07 = R2 412 004 371 (12 331 positions filled) Average salary per employee = R196 604,92 per annum	A comparison of expenditure before and after implementation of alternate service delivery mechanisms shows savings by 2011	none	none	n/a	Total size of org structure 2005/6: 19 813 (filled 12979) (65%) (R2 369 366 000) Total size of org structure 2006/07: 20 170 (growth in number of positions: 1,8%) (filled 12331) (61%) (R2 412 004 371) Total size of org structure 2007/08: 20 170(filled 12939) (64%) (R2 593 391 088) Average salary per employee = R200 432,11 per annum	
	Remuneration as a percentage of the total operating budget		In line with Restructuring Grant targets (ie 28%)	27,7%	In line with Restructuring Grant targets (ie 28%)	21,9%	21,9% All projections achieved as per MTREF	n/a	28%	

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Prudent financial management	Financial viability as expressed by: i. $A = (B - C) / D$ ⁸³		The financial viability is to be achieved in terms of the restructuring grant targets	8 ⁸⁴	The financial viability is to be achieved in terms of the restructuring grant targets	12.9	All projections achieved as per MTREF	7.5	7.3	
	Financial viability as expressed by: ii. $A = B / C$ ⁸⁵ (NKPI)			23.7%		18.9%	All projections achieved according to the MTREF	17%	27.2%	
	Financial viability as expressed: iii. $A = (B + C) / D$ ⁸⁶ (NKPI)			Cost coverage of 0.9	The financial viability is to be achieved in terms of the restructuring grant targets	1.2	1.2	0.7	0.7	
	Number of financial targets as projected per 2007/08 MTREF achieved		No specific target	No consolidated report	No specific target	No specific target	All financial targets according to the MTREF achieved	n/a	12 out of the 17 indicators ⁸⁷ were achieved or advantageous in financial terms ⁸⁸ for the City of Tshwane — eg Interest paid was lower than projected	There are 17 KPI's ⁸⁹ of which nine are in accordance with the RG agreement and three are regulated ⁹⁰
Prudent financial management	Percentage of a Municipality's capital budget actually spent on capital projects identified for a particular financial year as per the IDP (NKPI)		The percentage of the budget spent is in line with the restructuring grant conditions with 99% achieved by 2009	85.9% ⁹¹	The percentage of the budget spent is in line with the restructuring grant conditions with 99% achieved by 2009	95%	98%	n/a	85%	Provisional figure (period 12)

⁸³ A = Debt coverage, B = total operating revenue received, C = operating grants, D = debt service payments due within the financial year. ⁸⁴ Financial viability figures for the NKPI taken from the Finance Department 2nd provisional report to Mayoral Committee. ⁸⁵ A = outstanding service debtors to revenue, B = total outstanding service debtors, C = annual revenue actually received for services. ⁸⁶ A = cost coverage, B = all available cash at a particular time, C = investments, D = monthly fixed operating expenditure. ⁸⁷ Achievements were calculated from the Adjustments Budget targets. ⁸⁸ When the City of Tshwane does not spend the projected amount of Capex, it will impact positive on its finances because less money will be borrowed and less money will be paid for interest and loan repayments. This will, however, impact negatively on service delivery targets such as connections made or bulk infrastructure constructed. ⁸⁹ See Finance functional report for details. ⁹⁰ DPLG R796 August 2001. ⁹¹ Finance Department 2nd Provisional report 27 June 2007.

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Local government responsiveness to residents	Percentage of residents surveyed who indicated satisfaction with City of Tshwane responsiveness		80% of residents surveyed annually indicate they are satisfied with City of Tshwane responsiveness	Respondents to the Tshwane residents' and business satisfaction survey 2006 rated the city's responsiveness ⁹² at 49,8% 22% of respondents to the above survey have lodged complaints during the previous 12 months of which 79% felt that their complaints have not been dealt with satisfactorily	80% of residents surveyed annually indicate they are satisfied with the response from the City of Tshwane	One perception survey	No corporate level target for the year At the operational level a survey was to be conducted towards assessing the achievement of the five-year target.	n/a	Tshwane Household survey on conducted. Currently serving at the Cluster. Tshwane Survey indicated that 60% of residents are satisfied with the current changes. Business Satisfaction survey indicated that 38% of cases were resolved fully and 25% partially.	Annual perception survey – it was resolved that survey be done after completion of the ASD Regional Model.
Performance monitoring and evaluation	The degree to which City of Tshwane programmes, projects and initiatives respond to the needs and priorities of its communities		Improve service delivery such that all programmes, projects and initiatives make a positive impact on the communities as per their identified needs and priorities	See footnote for details ⁹³	Improve service delivery such that all programmes, projects and initiatives make a positive impact on the communities as per their identified needs and priorities	n/a	n/a	n/a	n/a	This indicator was not measurable and therefore not taken up into the SDBIP for 0708, and will therefore not be reported on.
Ensure cooperative governance (IGR)	Degree of integration between the City of Tshwane and other spheres of government in the delivery of critical programmes or initiatives		Achieve full integration of the delivery of critical programmes by 2011	All Critical National programmes were considered in the planning for the 2006/07 Medium Term Revenue and Expenditure Framework work	Achieve full integration of the delivery of critical programmes by 2011	All critical as identified	3 programmes (Housing)	n/a	3 (Housing) All information received was incorporated into the IDP (OEMCM)	Projects are implemented and budgeted for by GDoH

⁹² I.e. promptness. ⁹³ R&SW: 73.6% Legal & Secretarial 76% Electricity 42% Social Development 100% Sport, Recreation, Arts & Culture 100% Water & Sanitation: 85.9% Emergency Management Services 37,65% Tshwane Metro Police Department: 100% Corporate Services 70% Local Economic Development: 85% Tourism 94% Agricultural Trading Division 90%

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Perform risk management	The degree to which City of Tshwane risk management practices reflect international best practice, norms and standards		All City of Tshwane risk management practices in line with international best practice and norms and standards by end 07/08	The target was not achieved by all departments. Refer to the footnote ⁹⁴	All City of Tshwane risk management practices in line with international best practice and norms and standards by end 2007/08.	Department indicated the indicator to be immeasurable and replaced the indicator with the one below, reading: "Percentage compliance with principles of gap analysis by departments"				
	Percentage compliance with principles of gap analysis by departments		75%	18,5%		40% compliance with the principle of gap analysis by departments	40%	n/a	45%	
Sound human resource management	Percentage of human resource practices that reflect best practice and compliance with legislation		75% of all City of Tshwane human resource practices are in line with international best practice, norms and standards, and 100% comply with legislation	This KPI actually represents an index. It consists of a number of indicators that are weighted and then calculated. See footnote for details ⁹⁵	75% of all City of Tshwane human resource practices are in line with international best practice, norms and standards, and 100% comply with legislation	75%	No SDBIP target	n/a	75%	It is not clear whether the benchmarking was completed.
	Number of employee grievances lodged as a proportion of the total staff component		50% decrease in grievances by 2011	not reported	50% decrease in grievances by 2011	20% CS and other relevant departments	100%	n/a	Nine lodged (Hand SD) 0,3% CSS	Non-comparative information – no corporate level reporting provided

⁹⁴ Proof of achievement on action plans was submitted by Economic Development (82%), Emergency Management (100%), Electricity (100%), Finance (87%), Corporate Services (56%), Governance (71%), Metro Police (80%), the Office of the City Manager (0%), Water and Sanitation (83%), Social Development (95%), Housing (100%), and Roads and Stormwater (89%). Legal and Secretarial Services and Municipal Courts (0%).

⁹⁵ Compliance to the following pieces of legislation is currently monitored by Corporate Services. Compliance to the following applicable legislation: Basic Conditions of Service Act - 100%; Labour Relations Act- 100%; Skills Development Act -100%; Occupational Health and Safety Act- 80%; Employment Equity Act- 80%; Current Human Resources Practices have not formally been benchmarked against best practices and such exercise will be undertaken in 07/08

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
E-governance	Degree of response of ICT to organisational service delivery needs		Ensure integrated systems that support service delivery and ensure accountability by 2008.	This KPI requires an evaluation of the systems support to the organisational service delivery needs. Details in footnote %	Ensure integrated systems that support service delivery and ensure accountability by 2008.	95% of organisational service delivery needs met	No Corporate SDBIP target. Departmental SDBIP target = Introduction of an integrated risk management system – accountability; Upgrade plan of SAP System; Implementation of an online billing system	n/a	Risk management – pilot project proposal under consideration E-billing – tender in progress SAP upgrade – upgrade plan and roadmap developed – Service provider proposal is under consideration	
	% of internal respondents satisfied with IT services		No specific target	not reported corporately	No specific target	No specific target	98%	n/a	User satisfaction survey – not achieved	% of user satisfied with IT unknown – survey not done
Establish a public accounts committee	Timeframe for the establishment of a public accounts committee		The public accounts committee should be appointed by end 0607	The committee was established and approved by council.	KPA was achieved in the previous financial year					IT Service desk reports – available on the Intranet – plan to present the report to top management
	Number of reports submitted to Council committees established in terms of the MSA and MFMA		No specific target	IDP, MTEF, quarterly reports	No specific target	No specific target	All legislated reports	n/a	IDP SDBIP the MTREF, the adjustments budget and quarterly performance reports have been submitted to MAYCO and Council.	

% The design of an integration database (to integrate data between SAP, GIS and IBIS) is in progress. Various interfaces developed to enhance integration to other systems. The following integration was done: 1. Interface between SAP and Valuation system; 2. Interface between GIS, LIS and SAP; 3. Interface Management tool implemented to facilitate interface files between SAP and external systems; 4. SAP asset management integrated with the inventory control system; 5. Interfaces between IBIS and SAP; 6. Electronic payment interfacing between Standard Bank and SAP; 7. Interfacing between Cashbook, Cashiers and SAP enhanced

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variances/measures to improve performance
Customer relations management	Percentage of residents surveyed who indicated satisfaction with City of Tshwane responsiveness	n/a	80% of customers surveyed annually indicate that they are satisfied with City of Tshwane responsiveness	Results of the residents and business satisfaction survey 2006 showed all areas requiring improvement. See footnote for details ⁹⁷	80% of customers surveyed annually indicate that they are satisfied with City of Tshwane responsiveness	Integrated with the KPA "Local government responsiveness to residents" above where exactly the same indicator was used.				
Skills audit, recruitment, retention and succession planning	Percentage of rare and essential skills retained per job category		Ensure that 70% of rare and essential skills per job category are retained by 2011	A thorough skills audit will be done during FY 07/08 that will establish rare and essential skills retention strategies aligned to the ASD R6 m worth of bursaries was offered to employees and non-employees.	Ensure that 70% of rare and essential skills per job category are retained by 2011	No annual target	No corporate SDBIP target	n/a	13% year 1	

⁹⁷ The Tshwane residents' and business satisfaction survey 2006 indicated respondents thought "always true" or "most of the time true" for the following statements on service delivery in the city: Consultation: 28%; Service standards: 18%; Access: 41%; Courtesy: 36%; Information: 31%; Openness and transparency: 24%; Redress: 19%; Value for money: 26%.

KPA	KPI	Backlogs	Five-year programme target (2006/07 IDP)	Achieved 2006/07	Five-year programme target (2007/08 IDP)	2007/08 annual IDP/MTREF target	2007/08 SDBIP	2007/08 adjustments budget target	Actual 2007/08	Comments on variance/measures to improve performance
Ensure employment equity	The number of people from employment equity target groups employed per organisational level in compliance with the Municipality's EE plan (a national KPI)		Annually achieve the targets set out in the Municipality's EE plan, thereby achieving 100% of the EE plan by 2011	208 employees 38% (25,9% male) (12% female) of levels 1 to 4 are African 18 employees 3,3% (2,6% male) (0,7% female) of levels 1 to 4 are coloured 16 employees 2,9%(2% male) (0,9% female) of levels 1 to 4 are Indian 306 employees 55,8% (40% male) (15,9% female) of levels 1 to 4 are white	Achieve 90% representation of designated groups in the institution by 2011	97% (RandSW or 4 people from assistant manager upwards, 75% housing, 80% Community (EMS); 100% metro police, 75% City planning; 75% AEM; 80% water and sanitation; 85,1% finance; 70% Corporate services	No SDBIP targets defined for the corporate level.	n/a	58,2% of employees (levels 1 to 4) are from the designated groups Total number of employees appointed levels 1 to 4: 189 of which 46 are female (24,3%) and 143 (75,7%) are male. 84 (44,4%) are African 5 (0,03%) are Coloured 5 (0,03%) are Indian 95 (50%) are white	
Human resource development plan	Percentage of a Municipality's budget spent on implementing its workplace skills plan (a national KPI)		Achieve national norms and standards by 2011 in terms of the percentage of the budget to be spent on implementing the workplace skills plan.	The City of Tshwane paid 1% of the remuneration budget as levies to the SETA, an estimated R18 024 404, 00. ⁹⁸	1% of the remuneration budget as levies to the SETA	No specific target	No corporate target	n/a	R19 454 611,30 (that is 1% of the remuneration budget) was paid in skills levies to the LGSETA	

⁹⁸ Skills levies paid 2006/07 R8,729 737,55m; Grants Claimed R4, 485 109,75m; Training Budget for 2006/07 R 31 598 914 m

» 5.3 ISSUES FOR PROVINCE TO REPORT ON

Unit of Focus	What has been completed Number of households with access to at least basic service	What is being currently addressed Households with below basic service	What has not been dealt with at all, why, and what are the future plans	What are the financial implications and where is additional funding needed	What are the legal implications?
		15 863	None	Additional funds for bulk services need to be provided for. Backlog only related to formalised areas	National target of Dec 2008 may be missed if funds are insufficient
		33 012	None	Additional funds for bulk services need to be provided for. Backlog only related to formalised areas	National target of Dec 2010 may be missed if funds are insufficient
	467 100	Electricity: 16 402 Housing: 133 811 Total: 150 213	Report to install temporary electrification as basic instead of public lighting	<ul style="list-style-type: none"> Temp. electricity (43 000) R150 m Bulk (170MVA per annum for three years R960 m 	National target of Dec 2011 may be missed if funds are insufficient
	Water: 3247 (29% MIG funding) 100% expenditure Sanitation: 6030 (54% MIG funding) 100% expenditure Roads and Stormwater: 10 projects	Water: 4613 (29% MIG funding) 100% expenditure Sanitation: 17748 (54% MIG funding) 100% expenditure Roads and Stormwater: R79 463.35	None	No additional funding is needed for the 2007/08 and 2008/09 financial years. Additional funding is needed for the 2009/10 and 2010/11 financial years.	National target of Dec 2008 for the eradication of the water infrastructure backlog and the national target for the eradication of the sanitation infrastructure backlog may be missed if: <ol style="list-style-type: none"> 1. Funds are insufficient, 2. Construction material is not available, 3. The lengthy procurement process is not reduced by at least 50%, 4. Suitable contractors are not available to be appointed, 5. Weather conditions is abnormal, 6. The performance of consultants and contractors are not according to planning, 7. Geological conditions are not what is expected

» 5.4 FUNCTIONAL ANALYSIS PER GOVERNMENT FINANCE STATISTICS (GFS) CLASSIFICATION

5.4.1 The Executive and the Council

a. Overview and description of key issues

The Governance and Secretariat Service Division is responsible for the overall implementation of the Mayoral Committee System through the following areas: Governance Compliance (ensures compliance with legislation and policies for the City of Tshwane and municipal entities, advises on the corporate system of delegations and ensures compliance with procurement policies), Mayoral Committee Support (provides secretariat support and resolution tracking for the Mayoral Committee and other committees of the Executive Mayor), Statutory and Non-statutory Committee Support (provides secretariat support to S80 Committees, bid committees, audit committees, etc), International and IGR Section (coordinates the City of Tshwane's international relations programme, and monitors and advises on IGR engagements), Mayoral Outreach and Stakeholder Management (coordinates external stakeholder relations and community outreach programmes for the executive, for example the quarterly imbizos, monthly community visits and stakeholder consultative forums by the executive) and Elections Services (supports the IEC, the Council and the Office of the Speaker with regard to elections and participatory democracy programmes).

The Special Programmes Division provides support to enable the Executive Mayor to fulfil her political mandate:

- It ensures that all the needs of the residents of the City of Tshwane are met, with special emphasis on five focus areas: the youth, children, gender, the elderly and the disabled.
- The main focus of the unit is policy mainstreaming, planning and coordination, monitoring, reporting and advocacy.

The aims of the division are to –

- raise awareness of the problems experienced by the youth, children, the elderly and the disabled;
- ensure that the services rendered by the different departments of the Municipality address the needs of these groups;
- participate in national activities that highlight the needs of these groups;
- facilitate links between services initiated by the Municipality and those of other stakeholders;
- work closely with the Integrated Community Development Unit and its political incumbent in the implementation of policies relating to these groups; and
- highlight key issues that need to be elevated by the Executive Mayor as special projects.

The Office of the Speaker

- The Speaker presides over meetings of the Council and ensures that they are conducted in accordance with the Rules and Orders of the Municipality.
- The Council has in place a Rules Committee that represents all political parties and is chaired by the Speaker. All councillors are required to adhere to the Code of Conduct for Councillors, which was established by national legislation. This code is aimed at ensuring that councillors are held accountable to the community for their actions.
- The Council has entrusted the facilitation of public participation to the Speaker. The Office of the Speaker is therefore a link between the Council and the communities. Under the guidance of the Municipal Manager, the Office of the Speaker makes use of ward, petition and other committees to promote and enhance public participation.
- The Office of the Speaker is also responsible for the overall coordination of Council and S79 Committees, including secretariat support.

Ward committees

- The purpose of ward committees is to enhance participatory democracy in local government. The committees are chaired by ward councillors and are made up of elected volunteers from the community who represent different interests in the ward.
- A ward committee makes recommendations to its ward councillor on matters affecting the ward. The ward councillor in turn may refer matters to the Executive Mayor or the Council. The committee may also advise the ward councillor.
- The Office of the Speaker provides the framework within which the ward committees' activities take place and assists with the administrative functioning of the ward committees.

Petition Committee

- Members of the community can make a request, make a submission or lodge a complaint regarding municipal service delivery through the Petition Committee.
- It consists of representatives of various political parties and is chaired by the Speaker.

Other committees

- The Speaker is a member of the Speakers' Forum, which is a body consisting of the speakers in Gauteng. This forum engages in discussions on matters of mutual concern.
- The Speaker is involved in the Gauteng branch of the South African Local Government Association (Salga). This association concerns itself with national and provincial matters and how they impact on local government.

The Office of the Chief Whip

- This unit is mainly responsible for the political operations of the Council. This includes acting as a link between the executive (the Mayoral Committee and the legislature (the Council) of the local government and between the ruling party and other parties in the Council. It also ensures that discipline is maintained at all times.
- Since the Chief Whip is elected from the ruling party in the Council, one of the key political responsibilities of this office is to ensure that the strategic direction adopted by the Municipality is in line with the mandate and policy directives of the ruling party.
- Ensuring that the meetings of the Council and the committees of the Council are quorate;
- Promoting and maintaining positive party-to-party relations;
- Discussing with the Office of the Speaker the order of business of the Council, for example whether a debate on an item should be allowed or whether an item should be debated or put to the vote;
- Organising party caucuses for portfolio committee and Council meetings, planning their agendas and making the necessary logistic arrangements for them;
- Arranging for the necessary resources to be made available to councillors;
- Coordinating the constituency work of councillors;
- Receiving, considering and processing applications for leave of absence by councillors in accordance with the Council's policy; and
- Preparing for special debates (for example, the debate on the State of the City Address or on the budget). Despite the political differences between parties, the behind-the-scenes negotiations conducted by this office often ensure that contentious issues are resolved in a manner that is consistent with our democratic values as a nation.

5.4.2 Finance and administration

5.4.2.1 Finance

Overview and description of key issues

The Financial Services Department's main aim is to manage the corporate financial affairs of the Municipality and to ensure that financial resources are generated and used optimally. It provides the municipal departments with financial services and performs a strategic financial management function in the organisation.

Its responsibility includes drawing up the municipal budget and implementing and maintaining a control system to ensure accurate information about the Municipality's financial position.

Procurement

In terms of the Supply Chain Management Policy (SCMP) of the City of Tshwane, three committees were established in October 2005 to regulate the competitive bidding process, that is, the Bid Specification Committee, the Bid Evaluation Committee and the Bid Adjudication Committee (see section 26 of the SCMP).

In terms of section 26(2), the Accounting Officer did appoint the members to these three committees.

The details of tender/procurement activities for 2007/08 are as follows:

Details of tender/procurement activities	
Number of times that the tender committee met during the year	22
Total number of tenders considered	249
Total number of tenders approved	236
Average time taken from tender advertisement to award of tender	Varies depending on complexity

The following targets were set by Gauteng Province, and the Municipality will align itself to achieve them by 2009:

- 50% of municipal procurements will be from BEE enterprises
- 15% from small and micro enterprises
- 20% on black women owned enterprises
- 10% on youth
- 5% on the disabled

Tenders awarded to BBEE for 2007/08:

Month	Total	Not claimable	Net Total	BEE men	BEE Women	White Women	White Men
July 2007	R 371,717,317.96	R 2,000,000.00	R 369,717,317.96	R 81,373,393.64	R 52,670,873.07	R 60,104,226.74	R 175,568,824.51
Aug 2007	R 90,762,330.87	R 117,000.00	R 90,645,330.87	R 34,856,425.85	R 23,928,599.29	R 862,787.89	R 30,997,517.84
Sep 2007	R 49,526,447.71	R 6,763,055.33	R 42,763,392.38	R 18,928,777.12	R 7,013,873.17	R 6,211,600.44	R 10,609,141.65
Oct 2007	R 126,573,428.61	R 37,885,181.40	R 88,688,247.21	R 55,624,815.94	R 20,120,247.19	R 1,529,087.04	R 11,414,097.04
Nov 2007	R 20,496,829.18	R 202,676.00	R 20,294,153.18	R 14,541,948.64	R 592,914.45	R 870,375.18	R 4,288,914.91
Dec 2007	R 327,074,163.31	R 0.00	R 327,074,163.31	R 160,224,861.19	R 53,756,960.50	R 22,817,644.91	R 90,274,696.71
Jan 2008	R 60,585,191.44	R 4,936,053.50	R 55,649,137.94	R 29,065,424.63	R 8,536,150.92	R 5,245,080.53	R 12,802,481.86
Feb 2008	R 20,464,790.40	R 0.00	R 20,464,790.40	R 14,565,403.79	R 619,015.46	R 0.00	R 5,280,371.15
Mar 2008	R 300,184,036.59	R 23,794,464.41	R 276,389,572.18	R 155,198,983.70	R 26,436,562.19	R 11,953,939.54	R 82,800,086.75
Apr 2008	R 237,609,931.83	R 13,930,324.35	R 223,679,607.48	R 83,403,852.82	R 35,551,408.77	R 9,295,469.74	R 95,428,876.15
May 2008	R 378,316,462.47	R 230,168,484.41	R 148,147,978.06	R 117,590,138.55	R 18,390,574.28	R 596,341.04	R 11,570,924.19
Jun 2008	R 128,099,334.64	R 4,726,146.46	R 123,373,188.18	R 52,880,907.71	R 17,212,649.27	R 18,511,504.77	R 34,768,126.43
Total	R2,111,410,265.01	R 324,523,385.86	R 1,786,886,879.15	R 818,254,933.58	R 264,829,828.56	R 137,998,057.82	R565,804,059.19
%			100.00%	45.79%	14.82%	7.73%	31.66%
Total 2006/07	R2,648,187,167.72	R8,841,363.73	R2,639,345,802.99	R1,109,134,343.27	R201,638,452.65	R145,930,096.24	R1,182,642,911.83
%			100%	42.02%	7.64%	5.53%	44.81%

i. Revenue management

Details	Number	R
Debt of less than R3 000 and older than 90 days written off		7,679,490
Property rates (total): number and value of rateable properties	360,976	19,578,033,872
Number and value of residential properties	343,340	13,047,567,965
Number and value of other properties	36,770	7,568,451,696
Rates collectable for the 2007/08 financial year		2,056,171,035
Regional Services Council (RSC) levies: number of registered levypayers	52, 1 61(current)	Phased out
Total establishment levy		13,971,073.90
Total services levy		31,096,906.42
Levies collected for the 2007/08 financial year		45,067,980.32
Policy on the indigent:		No data available
Quantum (number of households affected)	47 474	72,538,582
Quantum (total value across Tshwane)	109,000	166,548,120
Basic social package quantum (total value across Tshwane)		50,000,000,00 pa

ii. Debtor billings

Details	Average number of debtors per month	Value for the year R
Water	255,921	1,215,772,693.37
Electricity	238,406	2,820,474,600.27
Sanitation	253,636	300,855,267.27
Waste	289,467	271,325,359.16
Assessment rates	269,162	2,056,171,034.98
Total	1,306,592	6,664,598,955.05

Debt collection

Total levied	Total collected	Percentage collected
6,664,598,955	6,631,275,960	99,5%

Analysis of Debt

Current out-standing	30 days out-standing	60 days out-standing	More than 90 days outstanding	Total outstanding
489,372,541	161,822,704	84,182,885	2,056,108,055	2,791,486,185

iii. Corporate financial key performance indicators

Description	Actual 2005/06	Budget 2006/07	Actual 2006/07	Annual targets 2007/08	Adjustments budget 2007/08	Actual year to date 2007/08
Restructuring grant indicators						
Capital expenditure budget indicator ⁹⁹	83%	90%	86%	95%	100%	84,9%
Depreciation plus external interest paid to TOI ⁶⁴	10,4%	11,4%	10,7%	15%	11,7%	9,8%
Employee costs to TOI	28,9%	31,1%	29,7%	31,8%	28,8%	28,8%
Net debtors to TOI	31,5%	21%	24,8%	14%	18,3%	29,3%
Annualised debtors collection	101%	98%	98,1%	98%	98%	101,4%
Repairs and maintenance to TOI	14,7%	13,2%	9%	13,5%	11,7%	16%
Creditors days outstanding	30	30	30	30	30	30
Debt management						
Depreciation to Opex	6,7%	7,2%	6,7%	8.06%	7,8%	6,3%
Interest as percentage of revenue	3,4%	4%	3,7%	3.75%	3,7%	3,4%
Loan repayments as percentage of revenue	5,6%	9,8%	5,8%	6.01%	10,5%	6%
Borrowing management						
Capital charges to operating expenditure	10,2%	11,5%	10,5%	7,6%	11,9%	10%
Revenue management						
Consumer debtors greater than 90 days	n/a	86%	75%	74%	86%	74%
Outstanding debtors to revenue	29,6%	20%	28,8%	18,9%	17%	27,3%
Creditors management						
Creditors system efficiency	100%	100%	100%	100%	100%	100%
IDP regulation financial viability						
i) Debt coverage	14.1	8.2	8	12.9	7.5	7.3
ii) Outstanding service debtors to revenue	71,5%	20%	23,7%	43%	17%	27,2%
iii) Cost coverage	1.6	1	0.9	1.2	0.7	0.7
Effectiveness						
Capex benefit ratio	15,2%	16,3%	14,1%	18,2%	18,2%	16,4%

⁹⁹ Budget targets and actuals are the year-to-date expenditure, i.e. until June 2008 compared to the "year-to-date" targets

b) Key performance areas

KPA	Activities/ initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Reasons for variance
Increase participation and broaden the contribution in growing the city's economy through the development of SMMEs, cooperatives, the informal sector and the role of black people, women and youth	Facilitate broad-based black economic empowerment	Percentage of local vendors used that are black people	5%	Not reported on	5%	40.79%	☺	The actual reflects locality only and not black local people
		Amount spent by the City of Tshwane through procurement policies on BBBEE	No rand value target set	No rand value target set	No rand value target set	R1 083 084 762.14	☺	Target achieved
		Number of BEE procurement transactions as a proportion of the total number of procurement transactions			60%	51.30%	☺	

KPA	Activities/ initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Reasons for variance
Reduce the burden of poverty through an effective indigent policy that enhances the access for all those who qualify and link indigent families to targeted poverty alleviation programmes that would improve household income	Provide poverty alleviation through the municipal social package	Rand value of social support package	Reviewed annually based on tariff increases and registered indigents			R72,538,582	😊	Reviewed annually based on tariff increases and registered indigents
Prudent financial management		Municipal credit rating	Short term: A1 Long term: A+	Short term: A1 Long term: A+	Short term: A1 Long term: A+	Short term: A1 Long term: A+	😊	Target achieved
	Borrowing management	Borrowing to asset ratio	22,1%	23,1%	21.6	22.05%	😊	Target achieved
	Debt management	Debt coverage	18.4	10.7	18.7	16.05	😊	
		Outstanding debtors to revenue	32%	70,3%	44%	36.06%	😊	
	Expenditure management	Percentage operating budget spent to achieve set outcomes	98%	84.72%	98%	81,8%	😊	
	Revenue management	Percentage expected as opposed to actual accounts billed	99%	98%	92%	99,7%	😊	Target achieved
		Percentage increase in revenue collection through legal processes				5,9%	😊	

KPA	Activities/ initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Reasons for variance
		Number of requirements of the Municipal Property Rates Act complied with	100%	Not reported on	100% by 30 June 2008	100% compliance with all provisions of the act.	☺	Target achieved
	Increase meter reading	Percentage of total meters read	Increase by 2% a year	85.09%	84%	84,7%	☺	Target achieved
Sound HR management	Train employees according to the departmental skills development plan	Number of employees trained	No target set	Not reported on	621	781	☺	Target achieved
	Implement a workplace skills plan	% of operating budget spent on implementing the workplace skills plan	No target set	Not reported on	No target set	51.53% of training budget spent	☺	Target achieved
Performance management	Cascade scorecards down to all organisational levels	Levels to which the scorecards have been cascaded	Level 5	100%	100%	100% based on old structure and functions	☺	Target achieved
Risk management	Reduce controllable insurance claims by 2% a year	Percentage decrease in insurance claims due to controllable events departments	Decrease by 2% a year	70.85% increase in claims compared to previous years	92 claims	55 claims 40% decrease in claims achieved	☺	Target achieved
	Reduce the cost of insurance by 0,005% a year	Percentage reduction in cost of insurance a year	0,005% decrease in cost in relation to declared asset base	0,005%	0,005% decrease in cost in relation to declared asset base	22.88% reduction	☺	Target achieved

c) Progress with project implementation

KPA	Project name	Project number	Fund	R start fin year	Adjustments budget	R spent end June 2008	Ward	Comments/corrective action
Procurement	Buildings and equipment	712444	1	1,800,000	1,800,000	1,785,202	58	Project completed
Risk management	Insurance replacements (City of Tshwane contribution)	712449	1	8,000,000	5,000,000	4,560,727	Tshwane wide	Accurate forecasting cannot be done on this project since it is merely a provision for the replacement of assets to ensure compliance with GAMAP/GRAP. Expenditure occurs as and when departments submit valid claims. WBS numbers and budgets are then allocated to the projects. The procurement of the replacements is the responsibility of the departments.
	Insurance replacements	712450	1	5,000,000	2,500,000	4,483,653	Tshwane wide	See comments above
	Stanza Bopape erection of a new paypoint	712599	1	1,800,000	1,800,000	13,659	16	The closing date of the tender was 2 June 2008 and a contractor will be appointed after evaluation is completed. However, the funds will not be spent this financial year. The project is a rollover project with R700 000 available in the next financial year. A special endeavour will be made to raise funds during the 2008/09 adjustments budget to complete the project in the next financial year.
Entrench a customer-focused approach to residents and business by setting standards that we achieve guided by the Batho Pele principles	Renovation and upgrading of Soshanguve Block H	712607	1	1,000,000	800,000	288,006	34	The project is being done in phases. The first phase has been completed in this financial year. Project plans have been amended and the other minor repairs and restorations will be accommodated within the 2008/09 operating budget

5.4.2.2 Human Resources

a) Overview and description of key issues

The Human Resources Division has been identified as a strategic vehicle in the management of human resources in the City of Tshwane with specific reference to –

1. an effective organisation which will respond appropriately to change;
2. the obtaining, development, justification and use of human resources required;
3. the creation and maintenance of a cooperative climate of relationships in the organisation; and
4. the meeting of the organisation's social and legal responsibilities.

Through its human resource strategy the Human Resources Division aims to contribute to the achievement of the objectives and the fulfilment of the social responsibilities of the City of Tshwane. The human resource strategy is consistent with the corporate vision of HR and is captured in similar terms. The central feature of the delivery of the HR strategy is the formation of strategic partnerships with key stakeholders to meet the City of Tshwane strategic aims.

To this end the key strategic priorities of the HR strategy are –

- leading a citywide approach to the support, reward, development and management of staff so that consistent levels of high performance are the norm;
- the building of institutional capacity to achieve successful change in the short and long term through appropriate leadership and support for managers;
- the establishment and maintenance of effective relations with staff, individually and collectively and with their recognised trade unions to achieve high levels of employee engagement;
- the development of an environment that fosters employee well-being, respect for diversity and difference and in which there is no tolerance of unfair discrimination;
- the development and delivery of HR systems, policies, procedures and structure in a way that is cost efficient and consistent with other elements of the HRS; and
- the development of the role of human resources staff such that through behaviour and activity every opportunity is taken to model, promote and sustain effective business partnering with stakeholders.

The demands and expectations placed on HR are changing. This requires HR to respond in ways that are different and that enable us to engage more effectively with operating units and other key stakeholders. The nature of that relationship will be as partners, with mutual respect for what each party brings to the relationship.

Effective partnership working will take effort and it is vital that all members of HR work hard to establish and to maintain effective relationships. The establishment of HR as a business partner for

effective and professional customer focus is central to the achievement of this element of the HRS. The organisational arrangements within HR have been revised to ensure that HR is fit for purpose and has the capacity and capability to respond to the demands placed on it. The review process resulted in the realignment of HR into the following key performance areas:

1. *Tshwane Training Academy*

Acts as the training services provider within the City of Tshwane, ensuring the following performance targets

- Support the implementation of the HRS
- Have a comprehensive range of training programmes targeted at meeting the needs of the personal development plans
- Develop the manager as key focus of organisational change, by improving management and leadership skills, knowledge and behaviours through targeted training programmes
- Strengthen the role of managers in training and developing their staff
- Provide flexible, responsive and accessible training opportunities to advance a positive working environment
- Have an induction training policy which promotes the integration of newly appointed staff into the workplace, in addition to formal induction training
- Adopt a quality approach to the three elements of the training cycle, that is, training needs analysis, delivery and evaluation
- Maximise the range of training and development methods/ options for staff including greater emphasis on aspects such as on-the-job training and coaching, mentoring, self-learning, computer-based training, e-learning and action learning
- Have reliable management information systems to maximise economy and efficiency in training and development activities.
- Interact, where feasible, with other organisations in identifying and replicating best practice and realising potential for economies of scale
- The design is also ring fenced to be merged with the Internal Business Unit on Leadership and Management Academy.

2. *Strategic HR Centre of Excellence*

Provide end-to-end Strategic HR Centre of Excellence Services to the City of Tshwane based on the Business Strategy of Strategic Human Resources, ensuring the following performance targets

- Climate and Culture Surveys
- Change Management System Development and Monitoring
- Change Management Awareness Creation Operation
- Individual Performance Management Enabling Operations

- Individual Performance Management Adjudication and Rewarding Operations
- Individual Performance Management Performance and Non-performance Management
- Process Application
- OrganisationOrganisational and Business Modeling Design
- Productivity and Integrated Process Management
- Remuneration Management
- Job Evaluation Management
- HR Policy and Process Research Management

The Strategic HR Centre of Excellence is primarily involved in the Stage 3 of the ASD programme involved in the following work streams:

- Organisational Design
- Communication and Change Management
- Business Modelling and Corporate Governance Framework
- Job Evaluation and Costing
- Process Integration
-

3. Labour Relations Management

To provide end-to-end Labour Relations Operations to the City of Tshwane based on the Business Strategy of Strategic Human Resources, ensuring the following performance targets

- Guide the Council on strategic labour matters
- Render a consultation service to client departments regarding the application of policies
- Maintain negotiation forums
- Collective Bargaining
- Industrial Relations Client Services
- Arbitrations Assistance

Labour Relations is also involved in the Stage 3 of the ASD programme involved in the activities of the Collective Bargaining Work stream.

4. HR Strategic Operations

Provide end-to-end HR Strategic Operations support to the City of Tshwane based on the Business Strategy of Strategic Human Resources, ensuring the following performance targets

- HR Plans, Policies, and Procedures Management

- HR Process, Practices, Systems and Solutions Implementation and Coordination
- HR Relationship Management
- HR Project Management

HR Strategic Operations are also playing the business integration role of key accounts management in terms of the above performance targets.

5. Strategic Occupational Health and Safety

Empower the local authority and affiliated service delivery agencies to ensure health and safety in the work place, thereby comply with legislation; prevent loss of productivity and undue financial expenditure, ensuring the following performance targets

- Occupational Health and Safety Management System Enhancement
- Occupational Health and Safety System Compliance

6. Employment Equity Management

Facilitate the implementation of EE in support of the City of Tshwane' strategic objectives, ensuring the following performance targets

- EE Process Management
- Corporate EE Performance Areas Development
- EE Auditing Management
- EE Plan Ma
- EE Plan Compliance

Employment Equity is also playing a vital role in the population of the ASD detail design to ensure application of the EE policy and strategy.

7. HR Shared Services

Contribute to the improvement of the quality of services within the City of Tshwane by providing organisation-wide effective and efficient transversal, transactional and professional HR services that will enable line management to focus on their core business and provide the opportunity to excel.

HR Shared Services has been established to contribute to the following objects:

- To contribute to the improvement of the quality of services.
- To deliver best practice procedures and systems that provides organisation wide transactional and professional support services.
- To enable line management to focus on their core business and provide the opportunity to excel

The following KPA has been ring fenced as HR Shared Services, including performance targets:

- Salary, Benefits and Funds Administration Management
 - To administer the salaries of officials, office bearers and Section 57 employees in terms of the relevant legislation, policies and budget constraints
 - To administer the benefits and funds of all officials, office bearers and Section 57 employees in terms of the relevant legislation and policies, as well as the individual's specific conditions of appointment.
- HR Helpdesk Operations Management
 - To provide an One Stop enquiry, information, advisory and administration service to all officials, ex-officials, office bearers, Section 57 employees, as well as prospective employees
- Recruitment Operations Management
 - The recruitment of suitable candidates to vacant posts and ensuring a long-term satisfied workforce
 - The selection of suitable candidates for vacant positions
 - Ensure correct and timeous appointments are done
 - Keep abreast of current and new legislation in the recruitment field
 - Recruitment and Exit Interviews Management
 - Highlights of 2007/08: eight positions of Strategic Executive Director were filled (only four are still vacant and specific employees are acting in those positions); 23 positions of Executive Director were filled (only eight are still vacant and specific employees are acting in those positions).
- Occupational Health and Safety Operations Management

Comprehensive occupational health, occupational safety and occupational hygiene services are provided and include amongst others the following services:

 - Medical Incapacitation Management
 - Medical surveillance
 - Occupational Health and Safety Training Management
 - To provide Occupational Health services to the City of Tshwane
 - To provide Occupational Hygiene services to the City of Tshwane
 - To provide administrative support to the Occupational Health and Safety unit of the City of Tshwane

- HR Information Management
 - To provide a registration and archive service in terms of the relevant legislation
 - To render an administrative, technical support service to the Division

Process related to the above KPAs has also been mapped to ensure mutual understanding in preparation of service level agreements with client departments.

b) Analysis of the function

Details	2005/06		2006/07		2007/08	
Number and cost to employer of human resource staff employed:	Number	R	Number	R	Number	R
- Professional (Managerial/Specialist)	25	12 526 496	25	13 744 812	24	14 195 19 4
- Field (Supervisory/Foremen)	0	0	0	0	0	0
- Office (Clerical/Administrative)	220	17 372 095	215	18 872 337	197	19 292 327
- Non-professional (blue collar, outside workforce)	14	980 725	17	1 252 436	15	2 105 090

c) Key Performance Areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
Human Resource Development	Recognition of prior learning (RPL)	Number of employees that have been taken through the RPL process CS: Subject to SETA accreditation	RPL at least 1 000 employees in the City of Tshwane	20 RPL advisors trained	20 RPL advisors trained	20 RPL advisors trained	☺	Target achieved
	CRM training	% of City of Tshwane employees trained on customer relations management	60% of employees trained on CRM by 2011	HRD: Total number of employees trained in 2006/07 in customer care = 220			☺	Advanced customer care programme to start in August 2008.
	Facilitate Learnership programmes	Number of learners completing learnership programmes with the relevant SETA's	An average of 20 learners per department complete learnership programmes with the relevant SETA's by 2011	122	80	63 learners	☺	(EPWP) Vukuphile learnership; 1 learner (Environmental Education, Training and Development Practices Learnership)
		% improvement in organisational skills capacity per annum	Improve organisational skills capacity by at least 5% per annum	7554 trained = 137%			☺	See footnote
		Number of employees trained in accordance with the Skills Development Plan				8 078	☺	This means that 62,4% of City of Tshwane employees were afforded a training/ skills development opportunity

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
		% of operating budget spent on implementing the workplace skills plan				R5 036 788 was spent on skills training	☺	
Performance Management		Levels to which the individual performance management system is cascaded	Cascade the performance management system to all levels of the organisation by 2010	Each HOD is responsible for implementing policies, procedures and systems as communicated by HR. HR therefore plays a facilitative role. Each HOD is measured on his or her individual score card regarding implementation. Level 6 in this case refers the pre-ASD structure, meaning former Deputy Manager level. The Unions are currently seeking a mandate from their members. Agreements for two policies have therefore not been concluded yet, however the system has been implemented on a trial basis in 06/07 FY down to level 6.	Cascade up to level 6 (Note: Level 6 indicated here is the pre-ASD level and refers to previous deputy manager level. At that stage there was an extra level of Chief Operating Officer which fell away in ASD. The deputy manager organisational level is therefore now level 5.)	Levels 1, 2 and 3 implemented and policy for top management was revised.	☺	Cascading to manager and deputy manager was implemented on trial basis in 06/07, but was kept in abeyance in 07/08 due to major changes in organisational structures and job contents of ASD which caused uncertainties which could only be addressed by placement process on new structures, which commenced during 07/08. Cascading to be implemented at Directors level in terms of change management 08/09

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
	Manage employee grievances	% of employee grievances finalised	80%	77.77%	70%	80%	☺	Target achieved
		% decrease in grievances	50% decrease in Grievances by 2011	28% decrease in grievances	10% decrease in Grievances	80% employee grievances finalised.	☺	Target achieved
	Manage employee discipline	Number of employees disciplined according to the disciplinary procedure		2		2	☺	
Implement a HR transformation plan by 2009		%implementation of HR transformation plan in line with legislation and best practice	100% implementation of HR transformation plan by 2009	50%	40%	Approved by Mayoral Committee	☺	HR Strategic Framework and Shared Services Delivery Model were approved at Portfolio Committee of 25.10.07.
Implement Alternative Service Delivery options		Timeframe for completion of detailed organisational design	The detailed organisational design should be complete by December 2006	Resolve consultants did provide proposals to the Council end November 2006. The Council approved in principle The City Manager established an ASD project office to take the process forward.	100% completion of organisational design up to level 5 by end of December 2006	Org structures approved 26.09.07. Certain amendments were entered during 2008 and Public Works and Infrastructure Development Department was approved in June 2008.	☺	95% implementation and migration of employees completed by June 2008. 5% to be finalised in 2008/09 F/Y

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
		Timeframe for the implementation of new organisational structure	The new structure should be fully implemented within 1 financial year		Implementation of organisation structure up to level 3 by end June	Org structures implemented up to level 3. Placement process of personnel on structures on all levels nearly finished.	☺	Top management survey to assess the impact of ASD-baseline report. Target achieved.
	Implement an organisational culture change programme	Aspects of culture change achieved	Achieve a change in culture that addresses critical bottlenecks in service delivery	None – dependent on finalisation of ASD	None – dependent on finalisation of ASD.	None – dependent on finalisation of ASD.	☺	

5.4.2.3 Other Administration

i. Office of the Executive Mayor and City Manager

a. Key Performance Areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Leverage growing and strategic sectors in the City in a way that optimises investment opportunities and focus on establishing an integrated economy	International Marketing: Exhibitions							
	International Marketing: Publications	% of implementation of plans for International Marketing: Publications			Articles in 20 publications	All publications planned were done and copies were delivered in the office	☺	
	LED marketing plans	% of implementation of local Economic Development marketing plans Exhibitions			<ul style="list-style-type: none"> Meetings Africa Tourism Indaba Soccerex Exhibition International trade fair. OR Tambo International trade exhibition 	City of Tshwane participated in the exhibitions.	☺	
Events		% in developing new events in the city			<ul style="list-style-type: none"> New Year Celebration Citizens Excellence Awards Diplomatic Civic Reception 	3 events were successfully developed	☺	
	Branding of the city	% branding of all events organised or co-organised by the city			Brand 100% of events	100% of events (70 events) branded	☺	Target achieved

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	SMART City programme				<ul style="list-style-type: none"> Automatic meter reading Tetra digital radio system City wide broadband roll-out Integrated IT infrastructure strategy 		☹	No data available
Promote a culture of competitive and professional sports activities and prepare the city to host the Africa and World Soccer cups in 2009 and 2010 respectively	Promotion of 2010 activities	% of implementation 2010 programmes/ activities			Hosting a 2010 Marketing and Communication workshop Design and development of a composite logo and designs of various applications Compilation of corporate identity manual and procedures for use of composite logo Marketing of 2010 through exhibitions and events 1000 days countdown to Africa's first world cup Production of promotional and branding material	All programmes and activities successfully implemented	☺	Target achieved

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Establish effective stakeholder forums that are inclusive and foster a non-racial, non-sexist, democratic, caring and prosperous society, focused on achieving the city's socio-economic goals	Stakeholder engagement	% implementation of marketing programmes to market municipal services and mayoral imbizos			Campaigns implemented: <ul style="list-style-type: none"> 11 Mayoral Imbizo's 7 other campaigns 	All campaigns successfully implemented	☺	Target achieved
		% in supporting strategic events in the city			<ul style="list-style-type: none"> 32 Planned strategic events 	100% of all planned the events were achieved.	☺	Target achieved
		% awareness and compliance of the city brand			<ul style="list-style-type: none"> Development of all municipal forms and templates Compilation of brand manual Compilation of brand strategy Branding of municipal buses 	Changing the visual look and feel of the Municipality Composite logo has been integrated in the city brand and will be used until 2010	☺	
Entrench a customer focused approach to citizenry and business by setting standards that we achieve guided by the Batho Pele principles	Marketing and Communication of key Municipal Services	Answer 3 media queries daily. Issue 2 press releases per week.			1 news conference per month. In all 3 press conferences during the Quarter were held. 1 Photo shoot per day	In total about 60 media enquiries were received during the quarter. Answered average of 1 media query daily. Issued 3 press releases per week. In total 34 statements issued during the Quarter In total about 40 statements were issued during the quarter	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Editing, translation and proofreading services (including outsourcing) for all departments and offices of the Municipality	Number of pages edited per annum			(Edit/translate/proofread/ outsource some 15 600 pages per annum)	88% of target achieved - Edited/translated/ proofread 13 732 pages	☺	Assisting Brand Management Committee with the redesigning of external City of Tshwane forms, applications, etc and the editing and translation of the forms etc in line with the Tshwane Language Policy
	Coordinate and administer a formal and informal interpreting service	Number of Council and City Planning meetings provided with interpreting services			Administrative interpreting services for 11 Council Meetings and 11 City Planning Meetings per annum	77%	☺	The number of Council meetings was reduced to six a year and some City Planning meetings were cancelled.
	Promote multilingualism in terms of legislation to internal and external clients				Represent City of Tshwane at three meetings of the National Language Forum per annum	100% achieved	☺	Awarded the PanSALB Multilingualism Award 2007 for Municipality of the Decade which promotes multilingualism

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Respond and manage customer complaints	Number of customer complaints received			No targets are set. The goal is to deal with all complaints received.	95	☺	These stats are only for the Private Office of the City Manager. Systems will be set up to improve record keeping in this regard. Info is only for six months from Jan 2008 to June 2008 when reporting was effected.
Sound HR management	Implement training according to a departmental workplace skills plan	Number of employees trained				Internal training done: 49 Employees attended internal training at Premos External training done: 50 Employees attended external training provided by registered service providers	☺	
	Manage employee grievances	Percentage of employee grievances finalised				One grievance resolved		
	Manage employee discipline	Number of employees disciplined according to the disciplinary procedure				No disciplinary actions	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Cascade scorecards down to all organisational levels	Levels to which the scorecards have been cascaded				Level 3	☺	
	Review current performance management system within six months of 06/07 financial year and conduct annual reviews.	Timeframe for the review of the performance management system.				Draft review of the performance management policy submitted by BPME to the SED strategy and operations in March 08.	☺	
	Implement and ensure EE	The number of people from the employment equity target groups employed in the three highest levels of management in compliance with the Municipality's approved employment equity plan, short term employment, and long term employment. (NKPI)				Black Female (4) Black Male (6)	☺	
		Percentage of newly appointed employees from EE target groups				(6.10%) 32 Appointments made in terms of the ASD structure (524 positions)	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Promote a new organisational culture	Number of broadcasts to City of Tshwane employees				11 broadcasts/video's	☺	2) Partnership with TUT 3) Waste Management video 4) SAMDI Broadcasting – Learning channel 5) Building Control Video's 6) Electricity –power saving Video 7) Electricity –shedding some light on load shedding Video 8) Foreign Missions Video 9) Bontle ke Botho Video 10) Updated Pt. Show Video 11) Tshwane Embassy Community Project 12) State of the City Broadcast

ii. Customer Care

The Customer Care Division has established 23 customer care centres to serve the Tshwane Community. A Call Centre was established to deal with all in bound calls and written enquiries. Residents of Tshwane are welcome to contact us by email, post or telephone or by visiting the centre closest to your residential area.

a.) Analysis of the Function

Details	2006/07		2007/08	
	Number	R	Number	R
Number and cost to employer of Customer Care staff employed:				
- Professional (Managerial/Specialist)	14	11 244 911	13	10 444 911
- Field (Supervisory/Foremen)	-	-	-	-
- Office (Clerical/Administrative)	114	16 755 089	154	22 223 462
- Non-professional (blue collar, outside workforce)	-	-	-	-

b.) Key Performance Areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
	City of Tshwane employee awards to foster Batho Pele Principles	Annual awards function held	CRM: 1 awareness programme per annum. 1 industrial theatre	CRM: Distributed pamphlets on Batho Pele principles. The industrial theatre did not take place.	CRM: City excellence award, Batho Pele day, Customer Care week	CRM: City service excellence awards held on 26 May 2008. Batho Pele day held on 28 May 2008	☺	CRM: Industrial theatre was removed from the scorecard of the General Manager: Customer Care.
	Call centres	Time frame for the establishment of a call centre in the North	CRM: Establish a Call Centre by the 4th quarter (construction and renovation only)	CRM: Construction was held in abeyance due to insufficient funds	CRM: Establish a call centre in the North	CRM: The physical construction of the building became the responsibility of the Administrative Services Division. The CRM division will be responsible for the operational capacity of the project.	☹	A project plan was submitted requesting R10 mill CAPEX. The physical construction of the building became the responsibility of the Administrative Services Division.
		Percentage of calls addressed on time	Address 87,6% of calls on time	CRM: Total calls for Fin Year 06/07 = 391 056 calls received of which 366 125 were answered immediately which represents 93,62%	CRM: Address 87,6% of calls on time (539 368)	CRM: 432 525 TOTAL: 81% ¹⁰¹	☺	Processes in place to address calls on time, e.g recruiting of more call centre agents.
		Percentage of callers that receive the right information with the first call		CRM: 99%		CRM: 86% ¹⁰²	☺	
		Number of calls received by call centres	CRM: n/a	CRM: 180 000	CRM: 539 388	CRM: 432 525	☺	
	Regional customer care centres	Number of customers visiting customer care centres	CRM: 73 000	CRM: 517 888	CRM: 816 544	CRM: 615 966	☹	Most customer queries were resolved through the call centre

¹⁰¹ Abandoned calls: 82 322 Calls received: 438 559. ¹⁰² 328 752 contacts logged in relation to 383 041 complaints (notifications) logged.

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
	Perception Survey Policy to assess Batho Pele compliance within the City of Tshwane		1 perception survey per annum	Survey completed	Conduct a city wide perception survey in 4th quarter	No survey was conducted	☹	Annual perception survey – it was resolved that survey be done after completion of the ASD Regional Model
	Ensure compliance with Batho Pele Principles and Service Quality Principles, Norms and Standards within the City of Tshwane	Percentage of City of Tshwane employees trained on Customer Relations Management	60% of all employees by 2011	100% of Customer Care staff trained on use of Customer Interactions Centre (CIC)	Batho Pele train the trainer	Batho Pele train the trainer	☺	Survey to commence Jan 09. Supervisors completed the Batho Pele train the trainer course A new advanced course on Batho Pele will be developed
		Approved Norms and Standards Policy by 4th Quarter Policy on Quality Assurance by 3rd Quarter			Implementation strategy on norms and standards by 3rd quarter	Implementation strategy on norms and standards was approved by the Mayoral Committee on 16 January 2008. Departments were informed to draft service charters according to the templates and guidelines provide by the CRM division. The CRM division in collaboration with the Strategic HR division will present advanced training module	☺	Implementation of norms and standards in progress. Some Departments busy with individual charters as per the draft provided by CRM.
		% reduction in customer complaints relating to City of Tshwane responsiveness	Establish a baseline	CRM: 1 090 309	85% per annum	CRM: TOTAL ¹⁰³ : 1 003 022 (8% decrease)	☺	CRM division is not in control of complaints received SLAs to be entered into with other departments, this will reduce the number of complaints received.

¹⁰³ 1st quarter: 271 589, 2nd quarter: 225 079, 3rd quarter: 244 995, 4th quarter: 261 359

c.) Progress with Project Implementation

KPA	PROJECT n/aME	Project number	R start fin yr	Adjustments budget	R spent end June 2008	Ward	Comments/ Corrective Action
Establish a call centre in the North	Customer Care Centre: Northern Areas	712484	5,000,000			Northern Areas	CRM: The budgeted amount was insufficient to carry the estimated cost. A project plan was submitted requesting R10 mill CAPEX. The project is transferred to Administrative services division.

iv. Corporate Services

a) Analysis of the Function

Details	2007/08	R
	Number	
Number and cost to employer of Administrative Services staff employed:		
- Professional (Managerial/Specialist)	20	2 466 184
- Field (Supervisory/Foremen)	131	15 118 225
- Office (Clerical/Administrative)	248	35 812 446
- Non-professional (blue collar, outside workforce)	340	28 710 483

b) Key Performance Areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
Increase participation and broaden the contribution in growing the city's economy through the development of SMMEs, cooperatives, the informal sector and the role of black people, women and youth		Percentage of BBBEE Vendors used		80%	65%	65%	☺	Hardly any black owned SMME entities are involved in the mechanical maintenance environment regarding the supply of genuine spare parts and services. Therefore acquired from agents appointed by the vehicle and equipment manufacturers.
Support good governance through effective and efficient corporate management policies and practices	Risk management	% Compliance with all relevant legislation, policies and procedures		100%			☺	No data available
	Sustainability management	% increase in revenue collection	100%	2% Only stated with new roll on 1 July 2007	100%	100%	☺	Function transferred to Financial Services Department
	Manage the valuation roll and the implementation of the Municipal Property rates Act	Number of properties valued as a ratio to total number of properties over a period of three years		Only stated with new roll on 1 July 2007	Finalise new valuation roll	Submit report for Policy, By-Law and Credit Control By-Laws by February '08	☺	
		Number of requirements of the municipal property rates act, complied with			Implementation through Council Report	Approved 29.05.08 Adoption of the draft property rates policy and draft by-laws in terms of Sections 3(1) and 6(1) of the Municipal Property Rates Act, 2004 (Act 6 of 2004) the "MPRA	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
	Improve fleet management efficiency	% utilisation of the allocated budgeted funds for addressing departmental fleet needs (= degree of efficiency of fleet management)	Efficiencies in fleet management are to be optimized by 2010		CSS: 84% Implementation of efficiency recommendations		☺	Report on alternatives to the current fleet management situation has been compiled and submitted to the Portfolio Committee. Same was referred back for minor additions. The report will serve at the mayco in January 2009.
		Number of fleet vehicles managed	Reduce by 2% per annum	80%	85%	88%	☺	Report on alternatives to the current fleet management situation has been compiled and submitted to the Portfolio Committee. Same was referred back for minor additions. The report will serve at the mayco in January 2009.
		Number of vehicles bought (2007/2008)				CB437/2007 (17 only) CB20/2008 (4 only) Total 21 only	☺	
		Total no of vehicles owned by the council (per vehicle category/type) Total Fleet leased Total fleet required				Owmed 2500 Leased 1000 Hired 75 Required 3575	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
	Prudent Financial management	Completed evaluation of the Fleet Study and the implementation of the findings by 12/2007		100% complete		Not yet finalised	☹	
	ICT services that support service delivery	% implementation of approved IT governance model					☹	
		Number of IT related initiatives implemented that take government closer to the people		2 initiatives			☹	
		Degree of integration of the SAP system		2 systems integrated			☹	
		% SAP system up and running		95%			☹	No data available
		% IT infrastructure up and running		95%			☹	No data available
	Records and Archives management	Percentage of departments complying to the National Archives Act	100% Compliance with National Archives Act by 2010	20%	40%	60%	☺	ASD has slowed down the progress of amalgamation and separation of functions

c) Project Implementation

KPA	PROJECT n/aME	Project number	R start fin yr	Adjustments budget	R spent end June 2008	Ward	Comments/ Corrective Action
Improve fleet management efficiency	Vehicles	710869	5,000,000			Tshwane wide	
	Land Purchase and Sundry Properties	710880	5,000,000			Tshwane wide	(Acquisitions still with Legal Services)
Buildings and facilities' management	HB Phillips Elevators Replacement	712581	1,400,000		1,308 million	58	Multi year project: lifts ordered and deposit paid
Information Management	Upgrade of It Infra-structure	710200	5,000,000			Tshwane wide	
	One Integrated Transaction Processing System	710213	30,000,000			Tshwane wide	<p>SAP Upgrade -in the process of planning for an upgrade that will bring about of benefits:</p> <ul style="list-style-type: none"> • The ease of integration with other systems in the City such Geographic Information Management System, Property Management system etc. • Alignment with the ASD service delivery model • Integrated Asset Management • Integrated Property Management capability for the City's assets
	Computer Equipment Deployment (Printers)	710268	3,000,000			Tshwane wide	
	Integration Telecommunication Equipment	710341	5,000,000			Tshwane wide	
	Implementation of Storage Area Network	710344	10,000,000			Tshwane wide	
	GIS	712446	1,000,000			Tshwane wide	
	E-initiatives Supporting the Smart City	712554	6,000,000			Tshwane wide	

iv. Legal Services

Key Performance Areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Increase participation and broaden the contribution in growing the city's economy through the development of SMMEs, cooperatives, the informal sector and the role of black people, women and youth	Alienation of immovable property	Percentage of council's immovable property alienated to BEE for commercial purposes	60% by 2011	0%	10%	0%	☹	
		Percentage of council's immovable property alienated to BEE	45% per annum				☹	No data available
	Complete the review of the BBBEE policy by 31 Dec 2006, with annual reviews by Dec each year.	Timeframe for completion of review of BBBEE policy					☹	No data available
Decrease the crime levels working with the National Criminal Justice System, the SAPS, business and communities ensuring visible policing and strengthening the municipal court system	Municipal Court	% Number of cases on the Court roll successfully prosecuted	Achieve an 80% success rate for prosecutions by 2010Achieve an 80% conviction rate at municipal courts by 2010		80%	85%	☺	
		Number of new cases in municipal court (1 July 2007 – 30 June 2008)			80 000	143 556	☺	Depends on law enforcement and notices paid or withdrawn
		Total number of cases in municipal court (ie not finalised on 30 June 2008)			80 000	146 265	☺	This implies that 2709 cases from the previous period was carried over to this financial year

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
		Number of cases withdrawn from the court roll			20%	15% (11 348)	☺	Achieved by 5%
		% decrease of the number of cases withdrawn from the court roll.			20%	15%	☺	
		Number of finalised cases			80 000	143 556	☺	
		% success rate for prosecutions		60%	80%	85%	☺	
Prudent financial management	Revenue collection via the courts/legal processes should increase	% increase in revenue collection through legal processes	by 5% pa		n/a	n/a	☺	There is an increased "vide" reports of CFO: Revenue Management for consolidation statistics ie Integrated approach for revenue collection

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Perform risk management	Decrease the legal claims against the Municipality	% decrease in legal claims against the Municipality	by 1,5% per annum	Baseline = 753	887		☹	No data available
	Decrease the no of judgements against the Municipality	Number of judgements against the City of Tshwane	1,5% per annum			Claims and collections: Judgements against = 5, judgements for = 5, settlements = 32 Litigations: Judgements against = 6, Judgements for = 25, settlements = 11 Total: Judgements against = 11, judgements for = 30, settlements = 43 513 requests 513 legal opinions/ comments provided	☹	
		No legal opinions provided as a proportion of those requested					☹	

5.4.3 Planning and Development

5.4.3.1 City Planning

a) Overview and description of key issues

The City Planning and Development Division's main functions are Spatial Planning and Land-Use Management. All of the Division's functions are performed in an integrated and holistic manner to ensure functional interaction between the regions and deals with four issues of metropolitan importance, namely:

- Densification
- Movement
- Urban boundary
- Open space and conservation

The Section: Land Use Legislation and Application Management embarked on the compilation of one Town Planning Scheme for Tshwane. The Draft Tshwane Town Planning Scheme was unanimously approved by Council on the 23rd November 2006. Thereafter the zoning of all the land parcels (about 450 000) were converted into the new proposed scheme notation. The Draft Scheme was amended by virtue of a Council Resolution in March 2008. The Tshwane Town Planning Scheme, 2008 was promulgated on 23 April 2008 and came into operation on 19 June 2008.

Another major project being undertaken is the audit of unproclaimed townships. Many areas, although formally developed, do not have separate title for the individual erven as the formal township establishment process was never concluded. Once the legal status of these areas has been determined, the appropriate legislation and mechanisms can be used to reach proclamation and the transfer of properties to beneficiaries.

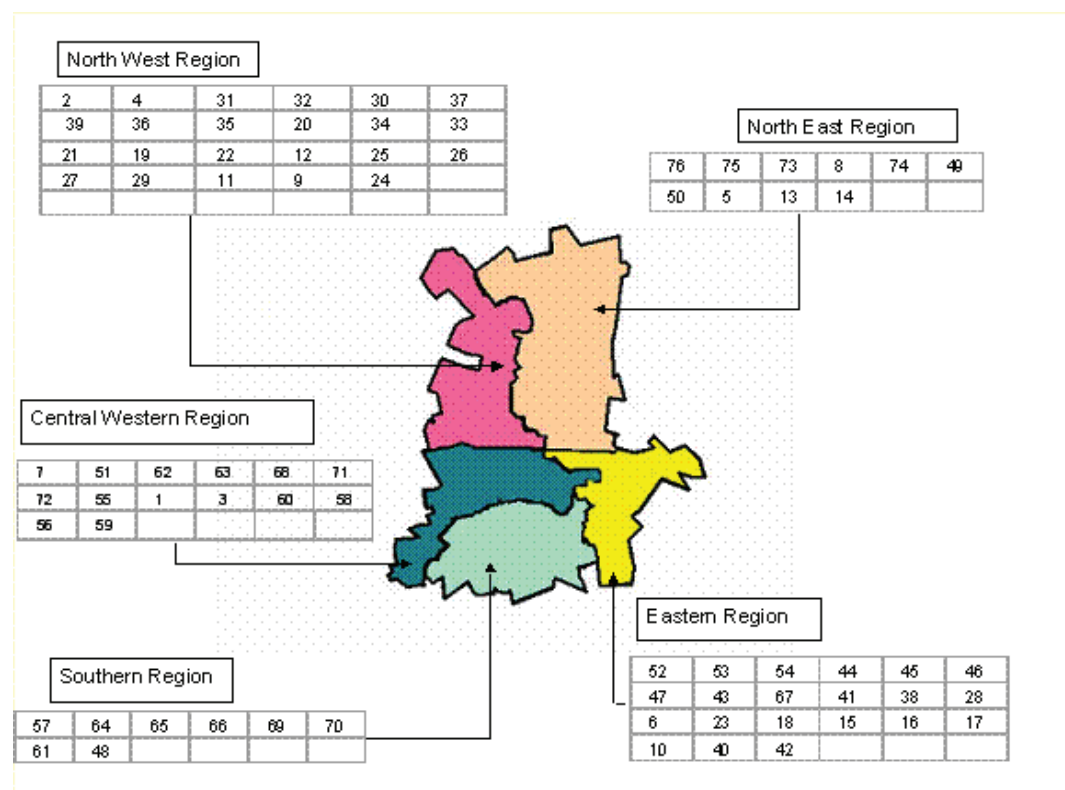
Strategic or catalytic projects such as the Gautrain Stations Development Frameworks, The Freedom Park/Salvokop Development Framework, the Akasia CBD Redevelopment Plan, the Metropolitan Urban Cores Development Guidelines and the Eerste Fabrieke Town Centre were undertaken to implement the spatial plans and policies.

The management of outdoor advertising entails the receipt and evaluation of outdoor advertising applications on both private and municipal property, entering into agreements with advertisers on municipal property, contract management of about 300 agreements and the financial management of the funds generated by such agreements (projected income 2007/08 – R24 m). It also entails close liaison with the Integrated Communications and Marketing Department in ensuring the effective use of outdoor advertising, which is acknowledged to be one of the most effective communication media available, in getting the Municipality's message across.

This includes negotiating advertising space and reduced rates for the display of the Municipality's own advertisements on outdoor signs.

The Office also provides an essential input into the policing and enforcement of the outdoor advertising bylaws by the Metro Police and Development Control Unit.

The City of Tshwane has adopted five regions, namely, North East, East, North West, Central West and South. Satellite offices have been established to ensure that services are accessible to all residents. The long-term objectives of the city are to inter alia, develop regional centres that will provide comprehensive municipal services and inculcate a customer centric culture based on the Batho Pele principles.



b) Analysis of the function

Analysis of the function		2005/06		2006/07		2007/08	
		Total	R	Total	R	Total	R
1.	Number of City Planning staff and their cost to the Municipality	341	83 145 676	285	85 229 045	324	103 769 067
	- Senior managerial (general manager, managers)	8	4 448 264	7	4 332 116	8	6 712 028.60
	- Managerial (deputy managers, chiefs, assistant managers)	53	21 039 279	38	18 632 901	54	25 822 242.40
	- Professional (architects, consultants, project managers, etc)	146	40 136 417	151	48 662 593	125	46 338 787.60
	- Field (supervisors, foremen)	-	-	-	-	-	-
	- Office (clerical, administration, secretarial, etc)	119	16 006 198	76	11 905 929	116	22 045 500.40
	- Non-professional (drivers, workshop assistants, etc)	15	1 515 518	16	1 695 506	21	4 073 746.80
	- Non-professional (clerical, administrative)						
	- Temporary	-	-	-	-		
2.	- Contract	46	2 710 565	56		70	3 471 202
3.	Details and cost of incentives for business investment	Not Applicable				54	25 822 242.40
4.	Details and cost of urban renewal strategies	Done in House	Indirect cost to Council			125	46 338 787.60
5.	Details and cost of rural development strategies: A multidisciplinary rural strategy to address development in the rural areas (in process of being drawn up)	Done in house	Only indirect cost to Council, strategy done in house				
6.	Number of people employed through job creation schemes: - Short term employment - Long term employment	Not applicable				116	22 045 500.40
	Number of building inspectors employed and their cost to the Municipality:					21	4 073 746.80
	- Chief Building Inspectors	4	1 135 298	6	1 582 129	6	1 727 895.16
	- Building Inspectors	26	8 947 573	26	6 879 657	31	8 014 113.20

Analysis of the function	2005/06		2006/07		2007/08	
	Total	R	Total	R	Total	R
-Temporary			3	479 426	3	508 192
- Contracts					6	1 727 895.16
7. Details of building plans:						
-Number of site development plans approved	1399		1362		864	
- Number of building plans approved	21 494		16 674		15 781	
Number of building plans approved (residential and non-residential combined)					20 032	
8. - Value of building plans approved		12 762 536 300		10 431 463 000		14 468 188 450
9. Number of building related inspections conducted	73 460		80 592		64 244	
10. Number of contravention notices served	3 135		2 654		3213	
Number of occupation certificates issued.	13 621		11 167		11 192	

c) Key Performance Areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Eradicate/reduce infrastructure backlogs	Contribute towards the national target of formalising informal settlements by 2014 by establishing townships from informal settlements	Percentage of settlements established as townships/ land development application	At a rate of 10% pa.		30% ¹⁰⁴		☹	No data available
Provide for the demand/growth in housing services in formalised (pro-claimed) areas	Facilitate controlled city development	Metropolitan Spatial Development Framework (MSDF) maintained		A draft MSDF was finalised in June 2006.	MSDF will be revised in the 2007/08 financial year	Terms of reference finalised	☹	Owing to capacity problems, the target could not be achieved.
		Strategic development frameworks compiled		Tshwane Spatial Development Strategy: 2010 and beyond completed.	Completion of TSDS 2010 and beyond	Approved on 2 August 2007 2 August 2007	☺	Approved on
		Number of residential building plans approved	50600	10000	10000	10290	☺	Application driven. Decline in economy has negative influence
		Total number of building plans approved		16 674	15 000	16,033	☺	
		Value of building plans approved		R10 431 463 000	R9 900 550 000	R14 468 188 450	☺	

¹⁰⁴ in total 19 informal settlements to be formalised cumulatively

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
		Number of site development plans approved		1 362	1300	864	☺	
		Number of residential building-related inspections conducted	3000000	58795	60000	46520	☹	Application driven. Decline in economy has negative influence
		Number of residential occupation certificates issued	50600	10856	10000	9447	☹	Application driven. Decline in economy has negative influence
		Number of development projects facilitated i.t.o Section 7(6)	50	9	12	10	☹	Application driven. Decline in economy has negative influence
		Number of residential properties in formalised (proclaimed) areas				480 431	☹	This indicator is responding to applications for development and is as such not "achieved" by the CP Department
	Land use management	Number of land-use applications finalised	12500	1917 applications were received. 2306 applications were dealt with of which 646 were administratively closed due to non compliance or awaiting further information from the applicant.	No targets set – Application driven	1896 applications were received. 2946 applications were dealt with of which 605 were administratively closed due to non compliance or awaiting further information from the applicant.	☺	Application driven

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
		No. of Development projects		Various development projects were initiated successfully. - Revision of Gautrain Stations Development Framework - Facilitation of various large developments around the Gautrain Stations - Urban Core Development Guidelines - Finalisation of the Tsosoloso Programme to re-develop the previously marginalised areas - Securing funds from the National Treasury for the Tsosoloso Programme	Drafting and implementation of new development strategies and interventions aimed at developing the neglected northern parts of the city.	Site Development Plans for Hatfield and Pretoria Station approved. June 2008.	☺	
	Land use legislation	Approval of Town Planning scheme		The Draft Tshwane Town Planning was approved on the 23rd November 2006. The Public participation process completed.	Approval of the new Tshwane Town Planning Scheme	Tshwane Town Planning Scheme was promulgated on 23 April 2008.	☺	Implementation of new Tshwane Town Planning Scheme – Implemented on 19 June 2008

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Regeneration and development of potentially viable economic nodes focusing on the inner city and targeted areas based on efficient land use		Percentage of inner city regeneration compared to the total need in terms of: a) businesses b) open space c) social infrastructure d) economic infrastructure e) historical buildings					⊕	<p>1. Cascading/ translation of approved RSDF's into projects for implementation through Regional business plans to be finalised by 31 March 2009. Translation of the approved Inner City Framework into projects to inform inner-city development Re-Kgabisa Tshwane initiatives and departmental budgeting and implementation.</p> <p>2. Institutional Mechanism for the management of the Tshwane Inner City Regeneration Programme for the Implementation of Rekgabisa Tshwane MOU with Public Works - proposal to be finalised by 28 February 2009.</p> <p>3. One Stop Corporate Business Centre to be launched on 31 March 2009 in the inner city</p> <p>4. One portion of Marabastad Open space to be completed by 30 June 2009</p> <p>5. Owing to the funding availability restriction of the R10 million internal funding requirements from the city, alternative avenues are to be explored with both the Province and the Private Sector for the development of the Lilian Ngoyi Square.</p> <p>6. Opening of Blood Street – Project Delivered successfully</p>

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
		Percentage of settlements close to economic opportunities	20%	16%	20%	83% (81 townships)	☺	Compiling precinct Spatial Development Framework's as part of the Tsoelilo Programme at the identified economic node.
	Comment on applications for business licenses	Number of economic opportunities per economic node (ie business licenses issued, incl. hawkers licenses)	1900	315 applications commented on	380	470 applications commented on	☺	Request driven Comments requested by Econ Dev
		Number of business/commercial properties		4533		5129	☺	These indicators are responding to applications for development and is as such not "achieved" by the CP Department
		Number of industrial/manufacturing properties		4001		4763	☺	
Promote viable communities by establishing mixed human settlements closer to economic opportunities with social, cultural and economic development programmes that enable celebration of diversity and foster social inclusion	Compiling strategic development frameworks			Tshwane Spatial Development Strategy: 2010 and beyond completed.	Completion of TSDS 2010 and beyond	Approved on 2 August 2007	☺	Target Achieved
	Compile the regional development frameworks	Number of regions with development frameworks		The eight RSDP's were finalised in June 2006	RSDP's for the 5 new ASD Regions to be completed and submitted to Infrastructure Cluster	Draft RSDP's for the 5 ASD regions completed	☺	RSDP's to be submitted to Council for approval in 08/09
		Number of regional development frameworks compiled	Eight regional development frameworks		The RSDP's must be re-aligned to the five ASD Regions	Draft RSDP's for the 5 ASD regions completed	☺	RSDP's to be submitted to Council for approval in 08/09

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
		Number of spatial development frameworks updated/ revised	20	5	5	<p>Hatfield Spatial Development Framework completed</p> <p>Saulsville Station: Saulsville Station Development Framework</p>	😊	<p>Hatfield SDF: Awaiting Traffic Study before submitting to Council</p> <p>Called for tenders from consultants but none received</p>
	Compilation and implementation of the local Spatial Development Frameworks (SDF's) and Policies			<p>Seven SDF's and two UDF's were finalised.</p> <p>The policy for a Place of Child Care was approved by Council.</p> <p>The policy for Communes was approved by Council.</p>	<p>Spatial Development Frameworks for the following areas to be developed and submitted to Council for approval:</p> <p>1. Brooklyn Urban design framework</p> <p>2. Gezina station design framework</p> <p>3. Waverley/Villieria SDF</p> <p>4. Mamelodi: T section</p> <p>5. Pretoria West densities</p> <p>6. Monovani/South Western Region SDF</p> <p>7. Soshungeve South</p> <p>8. Mabopane Station Urban Design Framework</p> <p>9. Denneboom Station Urban Design Framework</p>	<p>Completed, Council approval pending public participation.</p> <p>1. Brooklyn Urban design framework 2. Gezina station</p> <p>3. Waverley/Villieria SDF</p> <p>4. Mamelodi: T section</p> <p>5. Pretoria West densities</p> <p>6. Monovani/South Western Region SDF</p> <p>7. Soshungeve South</p>	😊	<p>Approved by Council:</p> <p>1. Mabopane Station Urban Design Framework</p> <p>2. Denneboom Station Urban Design Framework</p> <p>Other precinct based Spatial Development Framework are pending public participation prior submission for Council structures approval.</p>

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	The rendering of a general geomatic service	Number of requests for land information (including geomatic information) finalised	300 000	66 000	52 000	102 632	☺	Target exceeded
	The maintenance of the Land Information System			100% of all requests for information was attended to	Attending to 100% of requests for information received	Attending to 100% of requests for information received	☺	Services are extended as part of regional model implementation
	To provide the City of Tshwane with integrated spatial information			100% of all requests for information was attended to	Attending to 100% of requests for information received	100% of all requests for information was attended to	☺	Services are extended as part of regional model implementation
Ensure the safety of our communities, businesses and roads through fostering a culture of respect for the rights of all, the laws that govern us all and a high moral and ethical standard		Number of city development contravention notices issued	20 000	2655	4000	2641	☹	Staff shortage hampers efficient functioning of the Section. Routine inspections cannot be done and Section can only respond to complaints received.
		Number of convictions on city development contraventions	20000	1895	4000	362	☹	Department dependent on Magistrates who postpone/ delay finalisation. Dept has no control re the process or Court rolls

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rat-ing	Comments/ Corrective Actions
		% reduction in bad buildings in the City of Tshwane		21 Bad buildings under investigation Approx 1895 court cases for NBR, TPS and outdoor advertising by-laws finalised 720 Contravention notices issued for TPS transgressions 374 Contravention notices issued for outdoor advertising Removed: 44 542 Placards (include posters, boards, standing boards and banners) 254 fixed signs (pole signs) Graffiti: 135 sqm	Eradication of 10 Bad Buildings in the Inner City 4000 convictions 4000 convictions	9 Bad buildings under investigation Approx 362 court cases for NBR, TPS and outdoor advertising by-laws finalised 2231 Contravention notices issued for city planning (TPS, NBR, ODA) transgressions Removed: 63 142 Placards (include posters, boards, standing boards and banners) 311 fixed signs (pole signs) Graffiti: 135 sqm Bridges cleaned, cement washed and treated with anti graffiti: 23 bridges measuring 4338 m ² in total	☹	Reconstitution the Bad Building programme. Including the reviewing of the Bad Buildings Committee Capacitating the Unit with adequate resources including dedicated resources for legal process especially for High Court cases.
	Use legal proceedings to eradicate bad buildings	Reduction in the no of bad buildings per economic node	50	8	10	12	☺	Request driven

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Decentralise service delivery closer to communities that provides one-stop comprehensive municipal services and integrated government information and communication centres	Operational regions	Number of regional offices established			5 operational Regional Offices	Regions could not be fully established and implemented due to late appointment of REDs and insufficient resources	☹	4 Regional Executive Directors only appointed late in FY 07/08. Scoping has been done. RED offices in process of being operational in FY 08/09
Respond to customer management and reduce customer complaints	Respond and manage customer complaints on city planning legislative contraventions	Number of customer complaints regarding contraventions of City Planning legislation	5000	959	1000	992	☹	Request driven
Implement standard Batho Pele compliant operating procedures at all customer contact points and service desks		Number of service points with Batho Pele operating procedures	4	4	4	4	☺	Target achieved
Sustainability management	Realise revenue targets from outdoor advertising			R13.1 million	R16 million	R24.3 million (as at 30 June 2008 – exact amount to be confirmed)	☺	Target exceeded
Prudent financial management	Capital expenditure	Percentage of Capex spent	90%	94%	90%	80%	☹	80% of R6 million spend... additional R2 mill wrongly budgeted under City Planning
	Manage remuneration to be within RG targets	Remuneration as a percentage of the total adjusted operating budget	81%	78%	81%	79%	☹	City Planning's budget consist 80% of HR costs of Professionals and high level staff

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Train employees according to the departmental skills development plan	Implement training according to a departmental workplace skills plan	Number of employees trained	220	18	50	115	☺	Limited bookings per department. Limited budget for external training
		% of operating budget spent on implementing the workplace skills plan		0.13% on external training		0.22% on external training	☺	Internal Training budgeted for and provided by HR
Performance management	Manage employee grievances	Percentage of employee grievances finalised	100%	90%	100%	95%	☺	The Transport allowance grievance is still pending
	Manage employee discipline	Number of employees disciplined according to the disciplinary procedure	0	9	0	2	☺	
	Cascade scorecards down to all organisational levels	Levels to which the scorecards have been cascaded			5	4	☺	Corporate policies determine pace
Employment equity	Implement and ensure EE	The percentage of people from the employment equity target groups employed in the three highest levels of management in compliance with the Municipality's approved employment equity plan, short term employment, and long term employment. (NKPf)	70%	70%	60%	20%	☺	Appointments on the highest levels are almost done in this department. 12 vacancies to be filled. ASD process currently stalling filling of these positions
All incidences of fruitless and wasteful expenditure and the R value thereof	Ensure departmental compliance with legislation and no audit qualifications	Number of incidences of fruitless expenditure R value of fruitless expenditure	Data not available	Data not available	Data not available	Data not available	☺	

d) Project Progress

KPA	PROJECT n/ aME	Project number	Fund	R start fin yr	Adjustments budget	R spent end June 2008	Ward	Comments/ Corrective Ac- tion
Decentralise service delivery closer to communities that provides one-stop comprehensive municipal services and integrated government information and communication centres	Akasia Offices: Combined One Stop Offices for 6 Sections	7 119 14	1	6 000 000			4	Phase 1: Completed (complete at least up to foundation level if weather, cir- cumstances permit)

5.4.3.2 Economic Development

(a) Overview

The City of Tshwane through the Department of Economic Development continues to position itself in a manner that seeks to provide leadership and facilitate strategic partnerships in economic development to create an enabling environment that seeks to ensure economic competitiveness, growth, job creation and poverty eradication as anticipated by the Tshwane Growth and Development Strategy (TGDS) and City Development Strategy (CDS).

In this regard, City of Tshwane is the third largest economy in Gauteng with municipal provincial economic and employment shares estimated at 19% in 2007/08. The key employment sectors are general government services, financial and business services, manufacturing and the retail trade. The main sectors contributing to the economic output were wholesale and retail trade, manufacturing and transport and communications.

According to extrapolated data from Global Insight, the City of Tshwane's economy has been on a gradual upward trend, having yielded a higher than national average annual GDP of R138,847,325,000 (which represents a growth rate of 5,9% in 2007/08), whereas GVA is estimated at 4,7% in the same period. This upward growth trend was accompanied by an additional 13 832 new jobs (ie from 83 498 jobs in 2006 to 97 330 jobs in 2007), therefore lowering the unemployment rate to 19%. To sustain the higher growth trajectory, the City of Tshwane continues to develop and implement sector development strategies and policies that seek to integrate the second economy whilst encouraging the growth of the first economy.

These interventions include targeted economic integration and incentives programmes towards SMME and Cooperative Cooperatives Development, Export Market Development and Promotion, Investment Attraction and Business Retention, Business Regulation, Economic Infrastructure Development, Broad Based Black Economic Empowerment and Sector Development and Support. In addition, City of Tshwane also intensified engagements with strategic stakeholders such as Tshwane Business Council and also entered into strategic partnerships with like-minded private and/or public organisations.

The strategic objective of the Local Economic Division is to provide leadership and facilitate strategic partnerships in economic development to ensure competitiveness, growth, job creation and poverty eradication as anticipated by the TGDS through:

- SMME and Cooperative Cooperatives Development;
- Export Market Development and Trade Promotion;
- Investment Attraction and Business Retention;
- Business Regulation;

- Economic Infrastructure Development;
- Broad Based Black Economic Empowerment; and
- Sector Development and Support.

The role of the Tshwane Market is to provide a central marketing distribution system primarily for the City of Tshwane and secondarily for the rest of South Africa. In the execution of its role as the central distribution system for the City of Tshwane the market strives to fulfil the following objectives:

- To enhance food security for the City of Tshwane by attracting fresh produce to the market;
- To enhance food safety for the City of Tshwane by regularly inspecting and testing fresh produce sold at the market;
- To provide infrastructure and services which satisfy the market users' needs;
- To contribute towards the city's economic growth; and
- To contribute towards the city's job creation targets.
- Tshwane market has the following sections:
- Trading Infrastructure and Operations provides specialised services in the following fields:
 - Trading Operations Management
 - Trading Infrastructure Management
- Trading Operations Support provides specialised services in the following fields:
 - Financial Services
 - Information Technology Services
 - Security Management Services

Market System Development provides specialised services in the following areas:

- Project Management Services
- Market Development and Client Information

Tourism as a Division of the Economic Development Department has as its main responsibility the achievement of the second City Strategic Objective, "to accelerate higher and shared economic growth and development". It seeks to achieve this by "optimising city-wide Tourism opportunities from a Cultural, Business and Capital City status perspective".

The overall approach to tourism development and promotion is to ensure sustainable and responsible tourism development that aims to encourage all tourism stakeholders to jointly grow the tourism economy in Tshwane whilst providing social and economic benefits to local communities and respect for the environment.

Sustainable and responsible tourism development explicitly recognises interdependence between environmental, communal, industry, economic and policy issues, and is specifically aimed at

protecting and enhancing both the natural and cultural environment, while meeting basic human needs, promoting equity and resulting in an improved quality of life for all.

The Department of Agriculture and Environmental Management is a completely new department with a new Agricultural Division and its associated migrated functions from Economic Development, Health and Social Development, Housing and Waste Management and new migrated functions that include Streetscape Management and Climate Change Control. The Agriculture Management Division comprises the following two Sections:

- Agricultural Policy, Planning and Enhancement
- Agricultural Development Programme Management

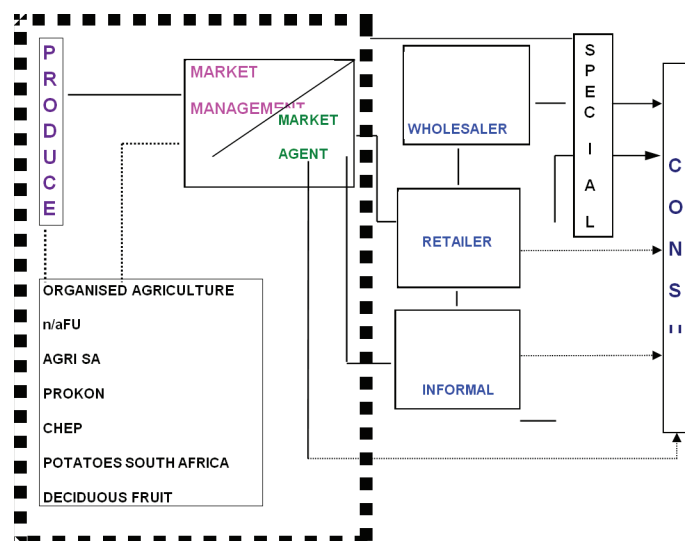
The mission of the Agriculture Management Division is to facilitate agricultural information dissemination, resource mobilisation, programme and projects and the formation of necessary effective partnerships.

(b) Description of key issues

The Tshwane Market is situated in ward 3 and serves residents, businesses and producers across the length and breadth of South Africa.

There are 19 markets throughout South Africa that are managed by a market authority (ie a local authority) or a market management company (ie a private company/organisation). These markets provide a physical market place for the distribution of fresh produce in the country. Their primary clients are producers and buyers from all provinces within the country and they compete with each other for both the producers' and the buyers' business. The following diagram provides an illustration of how the market functions as a distribution centre:

Diagram 1: Overview of Distribution Channel

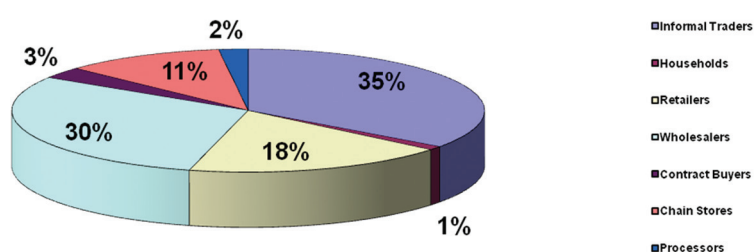


Although the market contributes significantly towards the food safety and food security of the city, few households buy directly from there. Produce sold at the market can be classified into the following broad categories:

- 48% of produce is sold to wholesalers and retailers.
- 11% of produce is sold to chain stores.
- 35% of produce is sold to the informal sector.
- 5% of produce is sold to contract buyers and processors.
- 1% of produce is sold to households.

The following chart provides a more detailed segmentation of the Tshwane Market's sales according to the type of buyer:

Chart 1: Buyer Segmentation of Produce Sales for the Tshwane Market



Markets play an important national role in the country's economy and contribute about R7, 8 billion (2007/08) thereto. About 75% of produce sold takes place at four markets in the country viz Johannesburg, Tshwane, Cape Town and Durban markets. For the 2007/08 financial year the Tshwane Market's turnover (ie produce sales) amounted to about R1, 4 billion which represents a market share of 17, 9% and growth of 21, 05%.

Agriculture is the link to sustainable and broad based development and poverty eradication in the City of Tshwane. It is a source of food and can provide employment opportunities to its citizens. To ensure that Agriculture fulfils this role, the City of Tshwane developed an Agriculture Development Policy which is intended to provide a framework for sustainable, integrated and coordinated development of Agriculture and related activities in the City of Tshwane.

The Tshwane Agricultural Policy is a City and Stakeholder response to both the implementation requirements of the Tshwane Growth and Development Strategy and Accelerated and Shared Growth Initiative for South Africa" (ASGISA). It is a response which is in line with the two of the five City core development strategies namely:

- Promote accelerated and shared economic growth and development ;
- Fight poverty and build clean, healthy safe and sustainable communities.

The vision of the Policy is:

"A delivery-focused, people-centred agricultural activity that accelerates and promotes sustainable economic growth and profitable partnerships in Agriculture to the mutual benefit of related sectors and the residents of Tshwane."

This will be in operation through the Tshwane Integrated Agricultural Development Strategy.

(c) Analysis of the Function

Statistical information and R expenditure	2006/07		2007/08	
	No	Cost	No	Cost
Number and cost to employer of all Economic development personnel:	319	R 45,717,256		
Professional (Directors/Managers)	54	R 16,115,551	SED: 6 FPM: 105 :11 LED: 11 T: 8	3 791 093 6 890 925 5 887 588 4 430 219
Total			36	20 999 825
Field (Supervisory/Foremen)			SED: 0 FPM: 35 LED: 0 T: 4	0 5 455 318 0 1 438 632
Total			39	6 893 950
Office (Clerical/Administrative)	202	R 23,655,459	SED: 4 FPM: 73 LED: 15 T: 8	683 515 10 049 266 5 347 136 1 107 799
Total			100	17 187 716
Non-professional (blue collar, outside workforce)			SED: 0 FPM: 61 LED: 5 T: 17	0 6 316 682 370 146 204 000
Total			83	6 890 828
- Temporary	25	R 1,969,595	FPM: 12	FPM: R89,597
- Contract	38	R 3,976,651	FPM: 2	FPM: R11,616
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package				
Detail and cost of incentives for business investment:		R (000s)		
TATA, Wonderboom Airport		R106 million		No data available
Number of people employed through job creation schemes:				No data available
- Short-term employment		3663		
- Long-term employment		100		

¹⁰⁵ Fresh Produce Market (FPM)

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Statistical information and R expenditure	2006/07		2007/08	
	No	Cost	No	Cost
Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives				
Type and number of grants and subsidies received:		R (000s)		
Grant from Gauteng Tourism Authority (GTA) for feasibility study for Mamelodi Rondavels (Tourism Division)	1	R400 000,00		No data available
2010 FIFA World Cup funding received from Department of Transport (DoT)	R27 million (Operational) and R14 million (Capital)	R 41 000 000		No data available
Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.				

(d) Key Performance areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
Leverage growing and strategic sectors in the City in a way that optimizes investment opportunities and focus on establishing an integrated economy	Facilitate growth in the tourism market of overnight visitors	% Growth in the City of Tshwane tourism market of overnight visitors in the Gauteng region	4,5% per annum		4,5%		☹	No data available
	Implement the Tourism master plan	Number of programmes of the Tshwane tourism master plan implemented.	5	5	5	5	☺	Target achieved
		- Township Bed and Breakfast - Community Capacitation	25 BandB's and 1 tavern	Advice was given to establishment owners to improve the quality of their establishments to meet the standard.	30 Township Band B's to be capacitated	30	☺	Target achieved
		SA Host Training	55 hosts trained		30 hosts trained	0 hosts trained	☹	Report was approved late and there was no sufficient time to advertise a tender and implement the training before June 2008, as the budget allocated was R100 000, 00. The allocated budget was then used for paying the advertising cost for advertising on radio stations the announcement for the tourism information audit.

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
		Township Tour Guide Training	46 tour guides	Owing to commitment many people did not attend the Workshop	30 tour guides trained	0 tour guides trained	☹	Report was approved late and there was no sufficient time to advertise a tender and implement the training before June 2008, as the budget allocated was R100 000, 00. The allocated budget was then used for paying the advertising cost for advertising on radio stations the announcement for the tourism information audit.
		Creating platforms for emerging Tourism Businesses International Pretoria Show;	15 SMMEs	15 SMMEs		15	☹	Achieved
		- Freedom Day Exhibitions	150 SMMEs	50 SMMEs		100	☹	Achieved
		- Women's day Exhibitions	150 SMMEs	50 SMMEs		75	☹	Achieved
		Tourism Signage- To develop Tourism infrastructure.% growth as stipulated in Tourism Master Plan.	139 signs	100 signs		110 signs	☹	Achieved

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
	Execute Tourism Events Implementation Programme by planning and executing exhibitions and events	Number of tourism events implemented	2 major International/regional exhibitions 4 major local/domestic tourism exhibitionsW		2 regional exhibitions 2 national exhibitions 3 international exhibitions	2 regional exhibitions 2 national exhibitions 3 international exhibitions	☺	Achieved. 1. Pretoria International Show from 22 August – 2 September 2007 2. S A Week in Washington DC 23 September – 1 October 2007 3. African Iron Horse Rodeo – 12 – 14 October 2007 4. International Fair on 3 November 2007 at the Union Buildings lawns 5. Meetings Africa, Sandton Convention Centre: 28 February – 1 March 2008 6. Tourism Indaba in Durban from 10 – 13 May 2008
	Execute Critical Success Factors implementation by facilitating and promoting initiatives for improvement of accessibility – Batho-Pele principle Physically challenged friendly facilities				1 Directory	1 Directory	☺	A mobility impaired A-Z Guide/Directory was developed
	Execute Tourism Training and Skills Development Programme by coordinating the execution of the annual Tshwane Tourism Awards		1 Collaborative Award		1 Collaborative Award	1	☺	Tshwane Tourism Awards on 11 April 2008, hosted at SA Reserve Bank, Tshwane

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
	Review and align the organisational structure to the strategic objectives	Tshwane Regional Tourism Organisation (RTO) established as per business plan by 30 June 2008			1	0	☺	RTO could not be established due to organised labour requesting more involvement and information
	Clustering Process-Community Tourism.		54		30	6 Associations	☺	
	Facilitate growth of agricultural trading in the City of Tshwane	Turnover of the Tshwane Fresh Produce market	FPM: R 2 470 million	FPM: R1 169 million	FPM: R1 271 million	FPM: R1 415 million	☺	Target achieved
		Market share of Fresh produce markets in SA	FPM: 18,5%	FPM: 17,6%	FPM: 17,5%	FPM: 17,9%	☺	0,47% better than targeted% Achieved. Good performance attributed to efficient and neat facilities, a strong focus on clients and service delivery
		Total R of Fresh produce markets in SA	FPM: R 12 400 million	FPM: R6 738 million	FPM: R6 800 million	FPM: R7 879 million	☺	
		Growth in turnover	2% better than industry	The market achieved a growth in turnover of 14.09%	Better than industry growth	Market: 21,05% Industry: 16,93%	☺	Achieved. Good performance attributed to efficient and neat facilities, a strong focus on clients and service delivery.
		Growth in mass	2% better than industry	Market achieved a growth in mass of 7.42%	Better than industry growth	Market: -3,01% Industry: -8,72%	☺	Achieved. Good performance attributed to efficient and neat facilities, a strong focus on clients and service delivery.

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
		% Utilisation of rentable floor space-offices	98%	92%	95%	97%	☺	Target exceeded. Well drawn up lease contracts and constant demand for facilities.
		% Utilisation of rentable floor space-stores	98%	99.51%	95%	96%	☺	Target exceeded. Well drawn up lease contracts and constant demand for facilities.
Establish strategic partnerships to ensure a focused common vision and good economic governance value system	Focus the majority of trade/investment initiatives on growing/strategic economic sectors in the City of Tshwane	Number of strategic sectors invested in as a result of initiatives facilitated by City of Tshwane.	14 sectors	Automotive sector	<p>1) A major new investment by Ford Motor Company world-wide (ie T6 business contract), and it is envisaged that an initial additional investment of R670 million will be made in the Silverton facility and R540 million in the Port Elizabeth engine plant</p> <p>2) The TATA Automobile Corporation recently purchased the old NISSAN Diesel plant in Rosslyn for R32 million. The total initial investment in both initiatives will exceed R725 million.</p> <p>3) NISSAN Diesel South Africa is investing R11, 9 million in its Rosslyn plant to cater for a greater demand in commercial trucks. The company also plans to invest a further R8 million in its operations to cater for the new NISSAN Diesel QUON series of trucks</p>	R400 million in Business Process Outsourcing, Agroprocessing and Manufacturing	☺	Scoping Studies were undertaken on the development of identified sectors

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
		Number of investment/trade promotion initiatives that focus on growing/strategic sectors of the economy as a proportion of all investment/trade promotion initiatives	20	<ul style="list-style-type: none"> - Pre-feasibility study into the ITC sector - Pre-feasibility study into the logistics cluster - Pre-feasibility into the Bio-Tech cluster 	4	Automotive Sector Support Report	☺	The ICT, Logistics Hub and Bio-Tech clusters were transferred to Agriculture and Environmental Management, Public Works and Infrastructure and the Office of the CIO. There's ongoing consultation between LED and the above department.
	Facilitate strategic partnerships with economic roleplayers to increase investment	Percentage of strategic partnerships ¹⁰⁶ that result in direct investment in Tshwane	20	1	4	Through maintaining a visible presence in the Rosslyn Auto Supplier Park and regular contacts with strategic stakeholders, it resulted in large scale investments that have been generated and others that are in the pipeline	☺	
Regeneration and development of potentially viable economic nodes focusing on the inner city and targeted areas based on efficient land use	Facilitate the improvement / regeneration of economic nodes	Number of business licenses cancelled/expired per economic node			1 275	1 368	☺	Target achieved

¹⁰⁶ A strategic partnership is considered concluded when a MOU has been signed. The partnership is considered strategic when the MOU states the investment in monetary terms of the partner to be made in a strategic/growing sector in the city, e.g. an MOU with an international bank, where direct investment is forthcoming to Tshwane by the establishment of a branch of the bank in the city or the set of a banking call centre in the city etc. (knowledge-intensive industries)

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
		Number of economic nodes regenerated as per business plan	4	0	2	1)Commissioned Urban Econ to develop a Business Retention and Attraction Strategy 2)Entered into a partnership arrangement with NWDC/AIDC to establish enterprise incubators in Babelegi and Ga Rankuwa	☺	
	Issue/renew business licenses	Number of licences issued/renewed		New informal trade stalls and maintenance of stalls (59) New hawkers licenses (580) Renewals of hawkers licenses (361) Event licenses (119) New trading permits (66) Renewals of existing stand permits (563) Formal business (361)	40		☹	No data available
Increase participation and broaden the contribution in growing the city's economy through the development of the SMMEs, CooperativeCooperatives, the informal sector and the role of black people, women and youth	Women's Month Workshop- Recognising Women in the Tourism industry.		45	45	75		☺	Target achieved

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
	Youth in Tourism Conference-captivating of young people		35	35	35	0	☹	There was a delay due to the MOU that was supposed to be signed by the City of Tshwane and Youth in Tourism; finally the new SED recommended that the relationship not be based on an MOU, as it has legal consequences and recourses that can cost Council and the Youth in Tourism money unnecessarily. It was however postponed for the 2008/09 financial year on agreement.
	HIV Training –raising awareness in different Townships in Tshwane		18 Townships		18 Townships	0	☹	HIV training was a once off training organised by TEP (Tourism Enterprise Programme).
Develop and support at least 8 000 SMMEs and/or cooperatives by 2011		Number of Informal Traders trained (Number of SMMEs developed)	60 traders per financial year	60 informal traders trained by 30 June 2007	60 traders	60 informal traders were trained by 30 May 2008. 100% class attendance was achieved.	☺	Achieved. Use of reliable service provider.
				936 (LED)	300 (LED)	395 (LED)	☺	These include various training programmes for SMMEs
		Number of SMMEs supported	FPM: 250	FPM: 165	FPM: 117	FPM: 177	☺	Target achieved
				48 (LED)	1200 (LED)	1440(LED)	☺	These include SMMEs and cooperativecooperatives who attended workshops and information sessions

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
		Number of cooperative cooperatives developed			6	7	☺	These are new cooperative cooperatives that have been established through LED support
		Number of cooperative cooperatives supported			80	165	☺	650 potential cooperative cooperatives reached through road shows
Use local vendors		Percentage of local vendors used by the department for non specialised services	By 2010 80% of total vendors used by the Municipality are local. FPM: 85%	FPM: 82%	FPM: 85% LED: 75%	FPM: 85% LED: 90%	☺	Target achieved
Ensure the safety of our communities, businesses and roads through fostering a culture of respect for the rights of all, the laws that govern us all and a high moral and ethical standard	Ensure a safe marketing environment	% Successful apprehensions	64% Successful apprehensions FPM: 85%	50%	50% Successful apprehensions	69% Successful apprehensions	☺	Most of the vacancies for the section Market Safety Services have been filled. This has improved the overall effectiveness of security.
Entrench a customer focused approach to citizenry and business by setting standards that we achieve guided by the Batho Pele principles.	Respond to customer complaints	Number of customer complaints received per function	FPM: n/a	FPM: 0	FPM: This target is not to be projected but the objective is to respond to all complaints and reduce the number through improved service delivery	FPM: 2	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
Prudent financial management	Manage remuneration to be within RG targets	Remuneration as a percentage of the total adjusted operating budget	FPM: 62%	FPM: 64%	FPM: 64%	FPM: 63%	☺	FPM: Target achieved
Sound human resource management	Train employees according to the departmental skills development plan	Number of employees trained	FPM: All employees to be trained	FPM: 131	FPM: 134	FPM: 156	☺	FPM: Target achieved
	Implement a workplace skills plan	Percentage of operating budget spent on implementing the workplace skills plan	FPM: 59%	FPM: 58%	FPM: 100%	FPM: 88%	☺	FPM: External service provider
	Manage employee grievances	Percentage of employee grievances finalised	FPM: 90%	FPM: 100%	FPM: 90%	FPM: 100%	☺	FPM: Target exceeded
	Manage employee discipline	Number of employees disciplined according to the disciplinary procedure	FPM: n/a	FPM: 4 employees disciplined in terms of disciplinary procedure	FPM: n/a	FPM: 3 employees disciplined in terms of disciplinary procedure	☺	
	Cascade scorecards down to all organisational levels	Levels to which the scorecards have been cascaded	FPM: Level 5	FPM: Level 5	FPM: Level 5	FPM: Level 5	☺	FPM: Target achieved
E-governance	Integrated account payment solution using smart box technology at the FPM	2 Smart box units	2 smart box units were implemented by April 2007	2 Smart box units	0 Smart Box units		☺	2 Smart box units were implemented by April 2007. FNB identified further critical back office development. As a result implementation was postponed to July 2008. Absa has been appointed as the market's new banker with effect from 1 July 2007. In the light thereof and problems experienced with FNB the project has been suspended

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
Electronic sales system		% availability of Electronic sales system	99,5% System availability	99,6%	99,5% System availability	99,6% System availability	☺	Regular maintenance of network according to maintenance plan. Good network support from IMD and service providers.
Perform risk management	Ensure departmental compliance with legislation and no audit qualifications	No incidences of fruitless and wasteful expenditure and the R value thereof	FPM: 0	FPM: 0	FPM: 0	FPM: 0	☺	FPM: Target achieved
	Consignment audits at the market agents	Number of audits conducted	300 per annum	330 Audits	25 Audits per month equals to 300 per year	302	☺	Target exceeded. Attributed to pro-active planning.
	Audits on direct deliveries to tenants: recovery of market dues	R recovery of market dues	R3 m	R 1 012 896.14 direct turnover achieved	R1,2 m	R2,2	☺	Target exceeded. Increase attributed to better and more focused control measures.
Facilities management	Maintenance of buildings at the market	Percentage of maintenance budget spent	95%	98.43%	95%	96%	☺	On target. Can be attributed to pro-active planning.

5.4.4 Health

The Vision of the Health and Social Development department is ensuring a healthy and empowered community and the mission is to facilitate and provide an integrated and comprehensive system of health and social services, facilities and programmes to promote a poverty-free, healthy, safe and sustainable community in Tshwane.

The Health and Social Development Department has three divisions and two units, namely:

- Integrated Community Development (ICD)
- Primary Health Care Services in clinics (PHC),
- Pharmaceutical Services
- Municipal Health Services (MHS)
- Emergency Medical Services (EMS) (Previously placed at the community Safety Department)
- HIV and Aids Unit
- Management and Office Administration Unit

a. Overview and description of key issues

The Health Act 61 of 2003 defines municipal health services as water quality monitoring, food safety, waste management, health surveillance of premises, control of communicable diseases, vector control, and environmental pollution control, disposal of the dead and chemical safety. Currently the Municipal Health Services Section is only doing 25% of the duties prescribed in the Act.

Provincial Health Legislation rules that emergency medical services and primary health care services are functions of the Province, but according to section 56 of the Constitution the functions should be closest to the people. Salga is also against centralising the services on provincial level. The updated Tshwane Aids Strategy 2007 – 2011 makes provision for the City of Tshwane to respond optimally to the Aids epidemic. Issues that need to be implemented are: mainstreaming HIV and Aids in departmental plans, contingency measures to ensure the maintenance of services, risks management and programmes to ensure the support to employees.

5.4.4.1 Environmental Health

Some Key issues facing Environmental Health Services/Municipal Health Services (MHS) are:

- Issues relating to vagrants, the homeless, immigrants and asylum seekers, especially those in Marabastad and surrounding.
- Bad buildings giving a picture of dilapidation in some parts of the City.
- Recent xenophobic activities displacing people to areas of less resources and services.

- Pollution of streams through waste and or illegal activities.
- Certain informal settlements not meeting minimum acceptable standards of hygiene and human habitation.
- Informal traders in the city not conforming to standards in terms of hygiene and food regulations, eg chopping of bovine heads in the streets, and maize cooking activities.
- Animal care issues in some areas not complying to the by-laws
- Vector Control complaints
- Illegal dumping in some areas of Tshwane, particularly in some townships and suburbs.
- Some public places still not complying to Tobacco control Regulations.
- Atmospheric pollution activities such as burning of tires, particularly in cold weather months.
- Insufficient public toilets in the city and its surroundings.
- Handling and disposal of Health Care Risk Waste (Medical Waste).
- Some initiation schools operating without proper registration
- Overgrown stands not well cared for.
- Illegal conversion of buildings into churches and /or residential premises not in line with zoning and or land use rights.

5.4.4.2 Primary Health Care

The Service Level Agreement on Primary Health Care (PHC) and the Memorandum of Understanding (MOU) on the Emergency Medical Services (EMS) between the City of Tshwane and the Gauteng provincial government states that the City of Tshwane has to maintain the current level of service delivery. A number of local government clinics need extensions and upgrading.

Primary Health Care services are 27% subsidised by province. The total Local Government (LG) budget for PHC was R 85 403 515 with a subsidy of R23 million from Gauteng Provincial Services. Medicines are supplied in kind to municipal clinics by the provincial government. The subsidy also does not include the Laboratory tests from LG clinics. All vacant Health Services posts in clinics are now being filled by provincial services.

Division	Project Name	Project number	Budget	Adjustments budget	R spent at the end June 2008	Ward
Health Care	Extension of Stanza Bopape Clinic	710201	1,320,000	1,254,000	1,253,891	17
Health Care	Extensions Lotus Gardens Clinic	710203	1,500,000	1,425,000	1,424,028	7
Health Care	Upgrading of Clinic Dispensaries	712278	2,000,000	1,900,000	1,896,162	Tshwane wide

5.4.4.3 Ambulances (Emergency Medical Services)

Currently the ambulances are operated from the Primary health Care Clinics. These new arrangements work well as the emergency medical services are now nearer to the community and more accessible to the citizens.

The total operational expenditure for 2007/08 for EMS is R56 800 000 with a subsidy of R34 000 from Provincial Services. The subsidy excludes the provision of the ambulances to the EMS services.

EMS is responsible for the following services:

- Pre-hospital care of patients
- Transport of patients
- Inter-hospital transfers
- Special events and standby services

Call Analysis:

Type	Total 2006 /07	Percent- age of Total	July - October 2007	Novem- ber 2007 - Febru- ary 2008	March 2008 - June 2008	Total 2007 /08	Percent- age of Total
Priority 1	912	1,3%	253	223	345	690	1%
Priority 2	34 073	47%	12919	12719	14567	34 205	42%
Priority 3	21 594	30%	20498	6728	7234	24 460	30%
Priority 4	1 042	1,4%	703	401	526	1 488	2%
Total trans- port	57 621	79,7%				60 843	74%
No service/ transport ¹⁰⁷	14 632	20,3%	6 331	6 704	7 982	21 017	26%
Total	72 253	100%	40 704	26 775	30654	81 860	100%

¹⁰⁷ No services transport is high, as when LG ambulances arrived at the scene the private ambulances have already responded to the calls - especially Motor Vehicle Accidents. (The private ambulances then take the patients with medical aids to private hospitals.)

The increase of calls for ambulances is the result of the increase of traffic volume, influx of people to Tshwane and the AIDS/TB epidemic.

Breakdown of types of incidents:

Type	Total 2006 /07	Total 2006 /07 (%)	July - October 2007	November 2007 to February 2008	March to June 2008	Total 2007 /08
030 Pedestrian	3 030	3.69%	3.227%	3.01%	3.27%	3.19%
031 Motor	5 983	7.28%	6.01%	5.61%	6.10%	5.92%
032 Taxi	354	0.43%	0.48%	0.40%	0.35%	0.40%
033 Bus	55	0.07%	0.08%	0.04%	0.07%	0.06%
034 Aeroplane	3	0,00%	0,00%	0,00%	0.01%	0,00%
035 Heavy Vehicle	219	0.27%	0.20%	0.22%	0.15%	0.19%
036 Department Vehicle	157	0.19%	0.20%	0.10%	0.05%	0.11%
037 Train	30	0.04%	0,00%	0.01%	0.02%	0.01%
038 Fell From A Train	343	0.42%	0.18%	0.18%	0.21%	0.19%
039 Motorbike/Bicycle	868	1.06%	0.69%	0.57%	0.64%	0.63%
040 Assault	11 560	14.06%	11.96%	12.55%	11.80%	12.08%
041 Domestic Accident	1 461	1.78%	1.26%	1.21%	1,00%	1.15%
042 Industrial Accident	338	0.41%	0.44%	0.41%	0.37%	0.40%
043 Sport Injury	189	0.23%	0.08%	0.08%	0.10%	0.09%
044 Gun Shot	809	0.98%	0.82%	0.98%	1,00%	0.94%
045 Burns	274	0.33%	0.48%	0.40%	0.45%	0.44%
046 Amputation	16	0.02%	0.02%	0.02%	0.03%	0.02%
047 Bleeding	1 589	1.93%	1.66%	1.47%	1.01%	1.35%
048 Animal Attack	256	0.31%	0.12%	0.20%	0.14%	0.15%
049 Dislocation	330	0.40%	0.93%	1.27%	1.11%	1.10%
050 Medical	12 438	15.13%	19.27%	20.79%	20.23%	20.11%
051 Maternity	5 658	6.88%	9.13%	8.76%	8.86%	8.91%
052 Asthma	833	1.01%	1.70%	1.34%	1.59%	1.55%
053 Epilepsy	2 239	2.72%	1.85%	1.56%	1.30%	1.55%
054 Diabetic	1 423	1.73%	1.17%	1.04%	1.02%	1.08%
055 C.V.I.	487	0.59%	0.64%	0.80%	0.62%	0.68%
056 Heart Attack	1 361	1.66%	1.20%	1.28%	1.15%	1.20%
057 Drowning	355	0.43%	0.02%	0.06%	0.02%	0.03%
058 Psychiatric	1 923	2.34%	0.28%	0.29%	0.34%	0.29%
059 Anaphylaxis	150	0.18%	0.07%	0.07%	0.06%	0.07%
060 Asphyxia	2 458	2.99%	2.12%	1.71%	1.57%	1.78%
061 Unconscious	1 255	1.53%	0.60%	0.61%	0.48%	0.56%
062 Paediatric	1 210	1.47%	2.67%	3.04%	2.39%	2.68%
063 Collapse	2 629	3.20%	3.92%	3.54%	3.54%	3.66%
064 Transfer Of Patient	14 195	17.27%	20.28%	20.18%	23.30%	21.40%
065 Full Resuscitation	940	1.14%	1.43%	1.25%	1.42%	1.37%
066 Emphysema	39	0.05%	0.02%	0.02%	0.02%	0.02%
067 Suffocation	31	0.04%	0.02%	0.02%	0.02%	0.02%
068 Contagious Diseases	1 508	1.83%	1.79%	1.57%	1.43%	1.58%
069 Rape	38	0.05%	0.01%	0.05%	0.02%	0.02%
070 Miscarriage	1 005	1.22%	0.98%	0.88%	0.84%	0.89%

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Type	Total 2006 /07	Total 2006 /07 (%)	July - October 2007	November 2007 to February 2008	March to June 2008	Total 2007 /08
200 Jump Of A Structure	96	0.12%	0.10%	0.13%	0.10%	0.11%
201 Overdose	981	1.19%	0.90%	0.98%	0.89%	0.92%
202 Gassing	32	0.04%	0.04%	0.03%	0.02%	0.03%
203 Gun	43	0.05%	0.04%	0.07%	0.04%	0.05%
204 Slit Wrists	124	0.15%	0.16%	0.08%	0.05%	0.09%
205 Poisoning	722	0.88%	0.55%	0.65%	0.72%	0.65%
206 Hanging	109	0.13%	0.09%	0.24%	0.07%	0.13%
222 Bomb Threat	14	0.02%	0,00%	0.01%	0.01%	0.01%
333 Riot	2	0,00%	0,00%	0,00%	0.01%	0.01%
444 Hostage	0	0,00%	0,00%	0,00%	0,00%	0,00%
500 Injure-By Fire Works	1	0,00%	0,00%	0.02%	0,00%	0.01%
777 Flooding	18	0.02%	0.03%	0.21%	0.02%	0.08%
888 Building Collapse	7	0.01%	0,00%	0,00%	0,00%	0,00%
999 Bee Attack	20	0.02%	0.03%	0.01%	0.01%	0.01%

(b) Analysis of the Function

Description	2005/6		2006/07		2007/08		Comment/ Corrective Action
	No	R cost	No	R cost	No	R cost	
Number and cost to employer of all ambulance service personnel:	189	R 36 794 545	185	R41 942 070	233 (include contract workers)	R 50 135 131	Annual increase, more overtime and appointment of managers and unifix allowance
- Professional (Doctors/Specialists)			n/a		n/a		
- Professional (Nurses/Aides)			n/a		n/a		
- Para-professional (Ambulance officers qualified)			185	R37 881 794	146	R 46,533,707	
- Non-professional (Ambulance officers unqualified)			1	R 160 160	1	R 170 160	
- Temporary			-				
- Contract			98	R3 900 116	86	R 3,627,904	
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package				R41 942 070		R 50 135 131	
Number and total operating cost of ambulance vehicles servicing population:	3 City of Tshwane Ambulance and 30 GPG 4 primary response vehicles		1 x City of Tshwane Ambulance and 40 GPG ambulances (These are the available ambulances but not manned) 6 primary response vehicles.	R (000s)	1 x City of Tshwane Ambulance and 47 GPG ambulances (These are the available ambulances but not manned) 6 primary response vehicles and 4 logistical car.	R (000s)	All ambulances are on the provincial asset register
- Aged less than ten years			< total >	< cost >			We do not keep ambulance statistics broken down in age in EMS
- Aged ten years or greater			< total >	< cost >			
Note: this figure should be taken from the plant replacement schedule							

Description	2005/6		2006/07		2007/08		Comment/ Corrective Action
	No	R cost	No	R cost	No	R cost	
Total annual patient head count:	62 496		57 621		60 843		
- 65 years and over			stats n/a		stats n/a		
- between 40 and 64 years			stats n/a		stats n/a		
- between 15 and 39 years			stats n/a		stats n/a		
- 14 years and under			stats n/a		stats n/a		
Note: list total number transported			53621		60 843		
Type and number of grants and subsidies received:				R (000s)			
GPG Subsidy for ambulance			1 GPG Subsidy	R38 967 006	1 GPG Subsidy	R34 202 000	
Note: total value of specific health ambulance grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.							
Total operating cost of health (ambulance) function			R49 088 167			R56 779 074	
Number and cost to employer of all health personnel:	467	77 171 862	257		263	62719	
- Professional (Doctors/Specialists)	17		15	5 000	15	5400	
- Professional (Nurses/Aides)	190		181	29 000	182	31 320	
Provincial Staff in LG clinics			10		27		
- Para-professional (Clinic staff qualified)	25		24	5 000	33	7425	
- Non-professional (Clinic staff unqualified)	34		34	4 000	28	3557	
- Temporary	0		3	R 230	2	160	
- Contract			0	0	1	145	
Subsidy of Gauteng Province				R18 600		R23 254	
Total operating cost of health (clinic) function				R79 mil		R85 403 515	

(d) Key Performance Areas

KPA	KPI	Achieved 2006/07	Target 2007/08	Achieved 2007/08	Rating	Corrective Action
Maintain number public health clinics in Tshwane	Number of public health clinics	23 LG clinics, 35 Provincial clinics and 4 Catcha clinics	23 LG clinics, 35 Provincial clinics and 4 Catcha clinics	23 LG clinics, 35 Provincial clinics and 4 Catcha clinics	☺	The implication is that there is on average 37 837 community members to be served per clinic
Ensure EDL medicine is available at all PHC clinics	Number of clinic users per annum	1,112,554 clinic users	1 033 861	1 176 943	☺	Although no new staff, more patients are seen, with quality to sacrifice
Ensure EDL medicine is available at all PHC clinics	Percentage of EDL medicine available to PHC clinics at all time	99,3% EDL medicine available to PHC clinics at all time	90%	97,7%	☺	Not applicable
Ensure professional nursing staff are available at clinics	Number of professional nurses per 100 000 of uninsured population	21.4 of professional nurses per 100 000 of uninsured population	23:100 000	20:100 000	☺	Include Chief Nurse Only for the City of Tshwane
Implement at least 5 health awareness campaigns per annum	Average patients per Professional Nurse per day	35	39	35	☺	Although no new staff, more patients are seen per nurse
Deliver HIV campaigns at the district health level	Number of health awareness campaigns implemented per annum	7	5	7	☺	
Improve TB case finding rate to 4% by 2011	Number of HIV campaigns delivered per annum	10	10	13	☺	Increased demand for interventions
Maintain number TB cases under 500 per 100 000 population	TB case finding Index rate	3%	3.20%	3.20%	☺	TB cases are increasing because of the AIDS epidemic.
Implement the Legislated environmental Health functions	Number of new TB cases per 100 000 of population -annualised	<500	538	<600	☺	
	% implementation of identified Environmental Health functions prescribed by the National Health Act for municipal health services	25% implementation of identified Environmental Health functions prescribed by the National Health Act for municipal health services	27%	25%	☺	Difficult to create new posts on the structure. This indicator can only comply with the appointment of extra staff on the staff establishment.

KPA	KPI	Achieved 2006/07	Target 2007/08	Achieved 2007/08	Rating	Corrective Action
	Number of environmental health practitioners per 15 000 of population	0.31	0.32	0.31	☹	
Support NGOs to render HIV and Aids programmes to the community	Number of programmes initiated and implemented by funded NGOs to render HIV and Aids services in the community	7	0	0	☺	Target for five-year programme already achieved in 06/07
Provide ambulance services	Number of patients attended to per year, on request in accordance with provincial norms and standards	47 026	48 000	60 843	☺	The decrease in staff members are supplemented by contract workers which allow for higher production
	No of selective, special standby services attended to by ambulance services, on request, per year	16	12	72	☺	Target achieved
	Average time taken to respond to an emergency call for priority one calls according to the set GPG norms and standards		65%	83%	☺	Target achieved
Expenditure management	Operational expenditure	97%	95%	91%	☺	Vacant posts in clinics were filled by Gauteng Province and a number of vacancies in the A group result in not spending of funds
Train employees according to the departmental skills development plan	Number of employees trained		1000	1708	☺	Exceed target as there was a number of training needs in the Dept.

KPA	KPI	Achieved 2006/07	Target 2007/08	Achieved 2007/08	Rating	Corrective Action
Manage employee grievances	Percentage of employee grievances finalised (Indicate number of grievances)		90%	88%	☺	8 out of 9 grievances for the year were solved
Manage employee discipline	Number of employees disciplined according to the disciplinary procedure		<150 per annum	31	☺	Target achieved
Cascade scorecards down to all organisational levels	Levels to which the scorecards have been cascaded		Level 5	Level 5	☺	Target achieved
Implement and ensure EE	The number of people from the employment equity target groups employed in the three highest levels of management in compliance with the Municipality's approved employment equity plan, short term employment, and long term employment. (NKPI)		1 SED and 3 ED in HSD. 100% EE compliance	One SED and one ED post filled. 100% EE compliance	☺	Target achieved
Ensure departmental compliance with legislation and no audit qualifications	Number of incidences of fruitless expenditure, R value of fruitless expenditure		0	0	☺	Target achieved

5.4.5 Community and Social Services

(a) Overview and description of key issues

5.4.5.1 Environmental Management

The aesthetics of a city not only enhances our lifestyle, but also improve our mood, sense of belonging and ecological integrity. The Environmental Management Division is mainly responsible to ensure that Tshwane residents have access to parks, landscaped public facilities, nature reserves, resorts and swimming pools, safe, adequately maintained and aesthetic public open spaces, and to a clean and sustainable living environment.

The mission of the Environmental Management Division is to promote ecological integrity through the protection, utilisation and enhancement of natural and open space resources by integrating environmental considerations into the sustained management and development of our city.

The Environmental Management Division comprises the following Sections:

- Open Space Planning
- Environmental Policy and Resource Management
- Nature Conservation and Resorts
- Parks, Horticulture and Cemetery Services Provision Management

5.4.5.2 Environmental Policy and Resource Management Section

The Environmental Policy and Resource Management Section's strategies are based on the realisation that:

- The City of Tshwane's own activities and operations can degrade the environment;
- The City of Tshwane as an organ of state must give effect to the Constitutional Rights of the community to have the environment protected and should therefore hold the environment in trust for communities.

The Section therefore focuses on:

- Corporate environmental compliance and responsibility;
- State of the environment reporting;
- Environmental information management to guide decision making;
- Providing environmental policy directives relating to governance issues and environmental protection;
- Providing information to guide decision making;
- Facilitating environmental education.

5.4.5.3 Environmental Planning Section

The Section is strategically responsible for policy formulation with regard to open space planning (Tshwane Open Space Framework) and undertakes high order strategic planning studies such as Environmental Management Frameworks and Strategic Environmental Assessments within priority intervention areas.

5.4.5.4 Cemetery Services

To provide aesthetically acceptable burial space for the residents of the City of Tshwane and to render a crematorium service through:

- The supply of aesthetically acceptable burial space;
- The rendering of a cremation service.

5.4.5.5 Parks and Horticultural Services

Tshwane Parks is primarily responsible for making the city liveable through the provision of parks and other recreation facilities. It also beautifies the city through landscaping and maintenance of city entrances, traffic islands, malls, boulevards and squares. The Section is responsible for the horticultural maintenance of undeveloped open space and road reserves as well as sport facilities and Council gardens. The Urban Forestry Sub-Section plants 10 000 trees on road reserves annually and maintains the existing more than 240 000 trees. The Nursery provides all the plants required for the city and also trains horticultural students from the Tshwane University of Technology. The Technical Support Services Sub-Section amongst others provides for a Park Rangers Service.

5.4.5.6 Nature Conservation and Resorts

This section supplies, promotes and maintains urban conservation, outdoor leisure, visitor facilities and water related activities to residents and tourists in the Tshwane Metro boundaries.

In pursuing the aim of the City to become an internationally acclaimed jazz capital, the Environmental Management Division committed itself to the re-design and planning of Moretele Park Recreation Resort in Mamelodi to become a world-class venue for music festivals and has to date invested R3 660 000 to improving the facility. The city is excited at the long term vision for the facility encapsulated in the Master Development Plan. This plan was developed in conjunction with the local community and jazz fraternity and aims to promote Moretele Park as the premier location for music festivals.

5.4.5.7 Environmental Resource Management

This section's functions include amongst others annual reporting on the State of the Environment, an environmental policy and legislation service, environmental management systems and programmes in the City of Tshwane, environmental risk assessment and management, execution of environmental audits and monitoring the enforcement of mitigation conditions within EIAs (Environmental Impact Assessment) as well as designing and implementing general awareness and job specific environmental training programmes for employees of the City of Tshwane.

Since there is an increasing trend and demand for Municipalities to demonstrate transparency and accountability beyond the domains of social and financial performance, the City of Tshwane has decided to disclose its environmental performance through, for the first time, the inclusion of the following environmental indicators.

i. Open Space Planning Section

The Open Space Management Section is committed to realising a sustainable Open Space Network which provides the setting for our capital city, is of high international standard yet based in the African context, empowers the community to prosper in a safe and healthy environment and protects the integrity of its ecological systems.

A natural environment which is supportive to the present and future generations of the City of Tshwane and which services the city and community's socio-economic, cultural and environmental needs equitably through:

- Optimizing natural resource and socio-economic relationships towards the restructuring of our city;
- Promoting and facilitating best practice in the sustainable protection, use and integration of open space resources within development;
- Creating a well planned open space environment that provides and appropriate setting for a variety of activities and benefits the city as a whole.

ii. Nature Conservation and Resorts

Ensures the effective, affordable and appropriate services relating to Nature Conservation and Resorts through:

- The protection, conservation and use of natural resources in such a way that current and future residents and visitors to the CTMM will benefit optimally;
- The supply, promotion and maintenance of outdoor facilities and resorts to meet the leisure and outdoor needs of the residents and visitors to Tshwane; and

- The supply, development and maintenance of swimming facilities in resorts; to manage these facilities as one of the main attractions to the resorts; to include swimming related facilities; and to enhance the diversity of leisure facilities related to water activities.

b) Analysis of the function

Details	2005/06		2006/07		2007/08	
	Total	R	Total	R	Total	R
Number of staff associated with cemetery services and their cost to the Municipality:	35	6 419 315	35	6 419 315	35	7 484 800
Total operating cost of community and social services function:	632	916 000	294	1 212 973	218	378 600 00
Number of staff associated with Parks and Horticultural Services and their cost to the Municipality:	1049	R13 367 695	1053	R13 767 695	1467	R80,116,824
Total operating cost of Parks and Horticultural Services function:		R147 606 719		R149 835 887		R149,879,709
Number of staff associated with Nature Conservation and Resorts Services and their cost to the Municipality:	467	9 109 951	474	9 789 717	561	R23 519 455
Total operating cost of function		48 375 940		33 353 137		R67 108 900
Number of staff associated with Environmental Resource management and their cost to the Municipality:	11	4 967 430	13	5 217 621	12	5 485 932
Total operating cost of function:		5 738 886		6 041 398		6 851 666.86

c) Key Performance Areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Cor- rective Actions
Eradicate infrastructure backlogs	Provide parks in areas of current backlog	Number of new parks in areas of backlog	a minimum of 12 parks in areas of current backlog	6 new parks were developed in the North	12	1	☺	Only 1 new park was developed as no additional operating budget was provided.
Provision of infrastructure per type as a proportion to new demand/need (growth)	Development and maintenance of decorative and play parks	Number of new parks for growth		12 new parks were developed as new projects and 12 existing parks were upgraded as second and third phase projects	12	0	☺	No additional operating budget was provided. Funds were spent on existing projects where maintenance capacity exists
	Provision of a nursery and training service	Number of Plants issued		104 401 plants issued. Value: R2,613,865		141,839 plants issued. Value: R2,298,737	☺	
Ensure maintenance of existing infrastructure	Maintain/ Upgrade parks			Maintenance of: 339 Developed Parks, 397 Undeveloped Parks, 7 Decorative Parks, 111 Developed traffic islands, 47 Undeveloped traffic islands, 28 Cemeteries, 106 Council Facilities, and 160 Sports Facilities.			☺	All maintenance carried out as planned. Problems were experienced with the renewal of the grass cutting contract. Labour and machines were hired in to deal with the problem.
	Provision of a nursery and training service	Number of Indoor plants maintained		1472 indoor plants maintained. Value: R389,153		17,502 indoor plants maintained Value: R387,411	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Cor- rective Actions
	Decorations at events	Number of deco- rations Value of deco- rations created		30 Decorations created Income value R112,459, but discounted by 100%		60 Decorations created Income value R 88,896 discount- ed by R22,787	☺	
	Urban forestry	Number of trees planted		10 830 trees Total of: 240 000 +	10 000	12 000	☺	Target achieved
Optimise labour intensity and community involve- ment	Use SMME con- tractors/Coopera- tiveCooperatives in environmental management initiatives and operations	Number of SMME contractors used	A minimum of 50 SMME contrac- tors/Cooperative Cooperatives per annum		50	48	☺	Target achieved
Regeneration and de- velopment of potentially viable economic nodes focusing on the inner city and targeted areas based on efficient land use	Open space development	Percentage of in- ner city regenera- tion compared to the total need	80% of needs in terms of regen- eration of the in- ner city achieved by 2011	The Proposed Open Space Prioritization Strategy document was finalised		3 Local Open Plan: Zone of Choice Inner City local Mamelodi West	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Cor- rective Actions
Increase participation and broaden the contribution in growing the city's economy through the development of SMMEs, cooperativecooperatives, the informal sector and the role of black people, women and youth	Support SMMEs	Number of SMMEs developed and supported (that empower black people, women and youth)	8000 SMMEs and/or cooperatives by 2011			48 + 7	☺	
	Support cooperativecooperatives	Number of cooperatives supported				7	☺	The Agriculture Division is a new establishment constrained by both financial and human resources. Most of the current achievements is the result of collaboration with external stakeholders
Utilise local vendors		Percentage of local vendors used by departments for non-specialised services	By 2010 80% of total vendors used by the Municipality are local		75%	100%	☺	Target achieved
	Provide free basic services to citizens earning less than R1700 per month	Number of indigent burials/cremations			100% of applications provided		☺	Target achieved
Reduce the burden of poverty through an effective indigent policy								

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Cor- rective Actions
Promote viable commu- nities by establishing mixed human settlements closer to economic opportunities with social, cultural and economic development programmes that enable celebration of diversity and foster social inclusion	Provide recre- ational facilities	Number of mu- nicipal swimming pools managed		23			☺	New resorts and Swim- ming Pools in progress – 2 under construction
		Cost of municipal swimming pools per annum		10 272 433		R3 479 958	☺	
		Number of resorts managed		9 Resorts 3 Caravan Parks and several camping sites		9 Resorts	☺	
		Cost of resorts management		10 674 384		29 219 293	☺	
Ensure the safety of our communities, businesses and roads through foster- ing a culture of respect for the rights of all, the laws that govern us all and a high moral and ethical standard	Manage danger- ous situations in the city	M2 grass cut			Seasonal in nature Not to be pro- jected	Undetermined	☺	The grass cut here is done by the Parks section in public open spaces
Promote a clean, healthy and sustainable environ- ment and reduce the burden of preventable diseases on our people and our economy includ- ing Chronic illnesses, TB, HIV and Aids	Nature Conserva- tion	Number of facili- ties maintained to ensure a sustain- able environment		5 Nature Reserves 3 Bird sanctuaries Gen- eral urban nature areas (rivers, ridges, mountains and wet lands)		12 Nature reserves 6 Bird Sanctuaries	☺	
		Cost of environ- mental sustain- ability manage- ment		12 384 768		R20 003079	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Cor- rective Actions
Promote a clean, healthy and sustainable environ- ment and reduce the burden of preventable diseases on our people and our economy includ- ing Chronic illnesses, TB, HIV and Aids	Formulate and implement environmental resource manage- ment, strategies, systems and projects to pro- mote corporate environmental compliance	Number of projects to be implemented	?		10	10	☺	<ul style="list-style-type: none"> o Shova Kulula Project o Medicinal Plants Strategy o Green Buildings By-law and incentives scheme o BKB o Continuous EMS's and RAMS' o Continuous Environmen- tal Audits o Office paper recycling project o Greening of the Show project o Eradication of alien invasive species project o Water Wise Municipal Buildings (cancelled)
	Implement environmental health functions according to the National Health Act	Number of cemeteries and crematoria man- aged				41 Cemeteries 1 Crematorium	☺	Owing to budget constraints the two additional cemeteries soon to be operational are without personnel and OPEX.
Promote a clean, healthy and sustainable environ- ment and reduce the burden of preventable diseases on our people and our economy includ- ing Chronic illnesses, TB, HIV and Aids		Number of buri- als/ cremations	201 420		40 284	12 248 Burials and Cremations	☺	
	Promote "green" procurement"	Number of prod- ucts identified in support of green procurement, procured by the City of Tshwane	5 Product catego- ries per annum identified	Identify and maintain usage of 5 "green: prod- ucts currently procured in a standardised manner	Maintain usage of 10 "green" products cur- rently procured in a standardised manner	Usage of 10 green products currently procured in a standardised manner main- tained.	☺	In process of be- ing included in the Environmental Best Practices Guideline

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Cor- rective Actions
	Respond and manage customer complaints in the Agriculture and Environmental management department	Number of customer complaints regarding environmental management services			60	265	☹	
	Management and administration of environmental function	Cost of management and administration		2 150 385		R1 330 000	☹	
	Risk management	No incidences of fruitless and wasteful expenditure and the R value thereof				None	☹	
Financial Sustainability management	Realise revenue generation targets	Percentage of planned revenue targets realised				85%	☹	
	Plants sold			44 236 Plants sold Value R628,140 (income)		24 805 plants sold Value 363 892	☹	
	Decorations and hiring (Rand value)			48 loads Value: R51 880		34 loads Value 28 110	☹	
	Entrance fees and hiring of facilities Recreation and conservation			5 612 770		8 133 297	☹	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Cor- rective Actions
Sound human resource management	HRD	Number of em- ployees trained				312	😊	
	Labour relations	Percentage of em- ployee grievances finalised				50%	😊	
		Number of employees disci- plined according to the disciplinary procedure	No targets are set – the goal is actually to through good management practice reduce disciplinary action over time			4	😊	
	Performance management	Levels to which the Scorecards have been cas- caded				Level 2 Level 3 in process	😊	
	Employment Equity	The number of people from the employment equity target groups employed in the three highest levels of management in compliance with the Municipality's approved em- ployment equity plan, short term employment, and long term employ- ment (NKPI)				49	😊	

d) Project Progress

KPA	PROJECT n/aME	Project number	Fund	R start fin yr	Adjustments budget	R spent end June 2008	Ward
Eradicate infrastructure backlogs Provide Infrastructure for Growth	Development of Parks (Backlog and New)	710348	1	4 500 000		3 830 201	Tshwane wide
Provide Infrastructure for Growth	Purchase of Mechanical Stump Cutter	710352	1	500 000		421 230	All
Resorts	Self Catering Chalets at Rietvlei Nature Reserve	710445	3	5 780 000		5 767 047	47
	New Swimming Pool Temba/Hammanskraal	711578	1	2 300 000		2 183 665	74
	Upgrade Moretele Park Resort	711581	1	2 000 000		1 899 052	6
	New Soshanguve Recreational Resort (Klip-kruisfontein Resort)	711582	1	3 000 000		3 000 000	37
	New Soshanguve Recreational Resort (Klip-kruisfontein Resort)	711582	5	2 500 000		2 349 217	37
Open space development	Landscaping of Traffic Islands and Entrances	712471	1	2 000 000		1 785 310	All
Implement environmental health functions according to the National Health Act	Eersterust Cemetery Upgrading: Office Block (Fencing and Roads)	711386	1	1 000 000		936 730	43,67,28,41
	Atmospheric Pollution Monitoring Network (Include Dispersion Modelling and VOC and BTX and PM 10 Monitoring Network)	711562	1	1 800 000		1 710 000	Tshwane wide
Formulate and implement environmental resource management, strategies, systems and projects to promote corporate environmental compliance	Green Buildings Programme	712497	1	1 500 000		1 381 021	Tshwane wide

5.4.5.8 Sport, Recreation, Arts and Culture

(a) Overview and description of key issues

Community Libraries and Information Services act as an agent for community development and education by providing services to all people in Tshwane in their need for lifelong learning, cultural expression and recreation. Services include:

- Information Provision
- Support to education
- Develop and maintenance of a reading culture
- Develop and maintain electronic network
- Present outreach and development programmes
- Develop and maintain existing facilities
- Develop new facilities in underdeveloped areas
- Ensure equal distribution of facilities, services and programmes

The Arts, Culture and Heritage Division is the custodian of arts, culture and heritage in the City of Tshwane. The division's key mandate is the promotion and development of arts, culture and heritage by initiating, coordinating, organising and managing arts and culture programmes, events and facilities. Culture is promoted by:

- The development of Arts, Culture and Heritage in the City of Tshwane areas.
- The cultural diversity of Tshwane.
- Ensuring access at cultural facilities by all communities of Tshwane.
- Providing the necessary culture infrastructure for the development of arts and culture.
- Upgrading of Museums
- Construction of the Suurman Community Hall
- Indigenous Dance and Music Development
- Classical Dance Development
- Visual Arts Development
- GEBRASA Cross Cultural Exchange Programme
- Cultural Heritage and Legacy Programme
- Museum Educational Assistants and Tour Guide Training Programme

The Sport Division strives to provide excellent sport and recreation facilities and services to all people in Tshwane, to enhance their quality of life. Sport management entails:

- Effective maintenance of sport and recreation facilities in the City
- Develop sport and recreation related infrastructure in areas with the greatest need
- Upgrading of sport and recreation infrastructure in line with changing community needs

- Presentation of world class sport events
- Presentation of sport development programmes
- Partner with the Provincial Government to ensure the success of their Mass Participation Programme
- Provide a sport and recreation related information service to the community at all service points

(b) Analysis of the function

Nature and extent of facilities provided:	2006/07			2007/08		
	Number of facilities:	Number of users	R operational cost	Number of facilities:	Number of users	R operational cost
Library services	38	2 201 524	10 940 968	45		
(2 not open pending naming process)	2,458,617	17,232,689				
Museums and art galleries	3 museums and 1 art gallery	32000		3 museums and 1 art gallery	41 334	6 312 013
Other community halls/facilities	6 culture facilities	120 000 users per year		6 culture halls	140 000	3 158 995
- Sporting facilities (specify)	16 Multipurpose Courts	14 892 bookings per year		16 Multipurpose Courts		
	28 Rugby Fields	± 28 925 bookings per year		28 Rugby Fields	28 048 for the year	
	30 Cricket Pitches			30 Cricket Pitches		
	31 Netball Courts			31 Netball Courts		
	32 Basketball Courts			32 Basketball Courts		
	313 Tennis Courts			313 Tennis Courts		
	88 Soccer Fields			88 Soccer Fields		
	117 Scraped Fields			117 Scraped Fields		
	40 Bowling Greens			40 Bowling Greens		
	20 Korfball Courts			20 Korfball Courts		
	11 Athletics Tracks			11 Athletics Tracks		
	1 Hall for Disabled			1 Hall for Disabled		
	1 Tug of War Field			1 Tug of War Field		
	16 Squash Courts			16 Squash Courts		
	15 Softball Diamonds			15 Softball Diamonds		
	8 Hockey Fields			8 Hockey Fields		

CHAPTER FIVE: Functional Statistics Analysis

Nature and extent of facilities provided:	2006/07			2007/08		
	Number of facilities:	Number of users	R operational cost	Number of facilities:	Number of users	R operational cost
	2 Pigeon Clubs			2 Pigeon Clubs		
	1 Wrestling Club			1 Wrestling Club		
	1 Gymnastics Club			1 Gymnastics Club		
	38 Jukskei Pits			38 Jukskei Pits		
	2 Golf Courses			2 Golf Courses		
	2 Pitch 'n Putt			2 Pitch 'n Putt		
	1 Radio Yacht Club			1 Radio Yacht Club		
	2 Driving Ranges (Golf)			2 Driving Ranges		
	3 Runners Clubs			3 Runners Clubs		
	5 Sport Centres			5 Sport Centres		
Total Sport Facilities	300			306		
Number and cost to employer of all personnel associated with each community services function:	Number of personnel		R(000s)	Number of personnel		R(000s)
Library services	193		32 800 000	195	2,458,617 (visitors)	33,400,675
Museums and art galleries	21		5 700 000	04	39 000	5 564 144
Other community halls/facilities	29		2 720 000	07	140 000	3 158 995
Sporting facilities	95	28 925 bookings	14 900 000		28 048 bookings	

(c) Key Performance Areas

KPA	Initiatives/ Activities/ Projects	KPI	5 year programme target	2006/07 achievement	2007/08 target	2007/08 achievement	Rating	Comments/ Corrective Action
Manage arts, culture and heritage facilities and programmes	Manage heritage sites	Number of museums/heritage sites managed	3	3 Upgrading of museums - implementing of Audio guides Melrose House	3 Upgrading of museums - upgrading of Fort Klapperkop	3	☺	Target achieved
		Number of visitors per museum/heritage site	175,000	35,000	35,000	37,775	☺	Target achieved
	Manage art galleries	Number of art galleries	1	1	1	1	☺	Target achieved
Implement arts, culture and heritage programmes		Number of visitors per art gallery	20 000	4 000	4 000	3559	☺	
		Number of arts, culture and heritage programmes implemented	5 per annum	5 - Antique and Crafts fairs 16 Dec and 1 May - International Museum Day May 2007 - Olievenhoutbosch Visual Arts programme - Contemporary Dance programme - Indigenous classical African drumming programme	5 - Antique and Crafts fairs 16 Dec and 1 May - International Museum Day May 2008 - Youth Cultural Dance Showcase June 2008 - Education Assistants Development programme 2007/08	5	☺	Target achieved

KPA	Initiatives/ Activities/ Projects	KPI	5 year programme target	2006/07 achievement	2007/08 target	2007/08 achievement	Rating	Comments/Corrective Action
Provide library services to the community		Number of library facilities per population per area	By 2011 there should be 1 library per 42000 people per area	1/50000	1/48000	1/46,189	☺	Once the libraries are open at Ga Rankuwa and Nellmapius result is 1/44,132
		Total number of libraries/service points	46	38	45	45	☺	Libraries handed over to City of Tshwane though not open for community
		Number of professionally qualified librarians per 50000 capita	1.8	1.51	1.76	1.63	☺	Pending resignations
		Number of library visitors	3,500,000	1,314,178	2,500,000	2,458,617	☺	Depending on services offered at libraries
		Number of educational enquiries dealt with	2,000,000	1,271,007	1,800,000	1,688,078	☺	Depending on no of users
Promote competitive sport		Number of library books per capita	1,600,000 per population	1,485,603 per population	1,500,000/2,227,284 = 0.673 books per capita	1,215,581/2,345,908 = 0.518 books per capita	☺	Depending how many material discarded and how much new stock acquired
	Provide at least 1 sports facility per 7100 population by 2011	Number of sports facilities provided per number of population	1/7100	1/7300	1/7100	1/7250	☺	The ever increasing migration to the city
	Present at least 12 annual sports development programmes	Total number of sports facilities Number of sports development programmes	310 12	300 12	307 12	306 13	☺	307 Target achieved

KPA	Initiatives/ Activities/ Projects	KPI	5 year programme target	2006/07 achievement	2007/08 target	2007/08 achievement	Rating	Comments/Corrective Action
Facilitate community access to halls	Hold at least 2 events per annum	Number of world class sports events co-hosted per annum	2	2	2	10	☺	Target achieved
		Number of community halls	Sport and Recr: 17 Culture: 7	16	17	17	☺	Target achieved
				5 Construction of Temba Community Hall Construction of Suurman Community Hall	5	5	☺	Target achieved
		Number of functions per community hall (bookings)	Sport and Recr: 29 450	20115	25690	28048	☺	Target achieved
			Culture: 6 100 over 5 yr target	1 000	1 000	1 586	☺	Target achieved
Batho Pele	Implement standard Batho Pele complaint operating procedures at all customer contact points and service desks	Number of service points with Batho Pele operating procedures	All facilities	300	359	359	☺	Target achieved
Human resource management	Manage employee grievances	Percentage of employee grievances finalised	100%	100%	100%	100%	☺	Target achieved
	Manage employee discipline	Number of employees disciplined according to the disciplinary procedure	No data available	No data available	No data available	No data available	☺	
	Cascade scorecards down to all organisational levels	Levels to which the scorecards have been cascaded	Level 5	Level 3	Level 3	Level 3	☺	

d.) Project Progress

KPA	PROJECT n/aME	Project No	Fund	Budget	Adjustments Budget	R spent End June 2008	Ward	Progress with Target
Provide library services to the community	Upgrading Temba Community Library	710103	1	No data available	No data available	No data available	75	No data available
	Ga-Rankuwa Library	712265	1	6,000,000	Same	5,897,802	32	Project completed successfully
Facilitate community access to halls	Nellmapius Community Centre	710700	5	3,000,000	Same	151,539	40	Contract could not be implemented due to unforeseen circumstances
	Atteridgeville Superstadium	710713	1	6,000,000	5,700,000	5,665,095	62	Project phase completed
Promote competitive sport	Atteridgeville Superstadium	710713	5	14,000,000		13,985,594	62	Project phase completed successfully
	H/Skraal Multip. Sport and Recreation Centre	711433	1	2,000,000	1,900,000	1,891,733	73	Project phase completed successfully
	H/Skraal Multip. Sport and Recreation Centre	711433	5	No data available	No data available	No data available	73	No data available
	Mabopane Golf Development Facility	712606	3	3,000,000	No data available	No data available	22	Project moved to 2008/09 fin year
	Upgrading of the Soshanguve Giant Stadium	710690	1	33,062,000	31,108,000	31,028,916	33	Project phase completed successfully
	Upgrading of the Soshanguve Giant Stadium	710690	5	7,000,000	Same	6,994,149	33	Project phase completed successfully
	Completion of Temba Stadium	710691	3	1,500,000	Same	1,447,778	75	Project phase completed successfully
	Completion of Temba Stadium	710691	1	No data available	No data available	No data available	1	No data available
	Saulsville Arena	710689	1	No data available	No data available	No data available	63	No data available
	Upgrading of Museums	711442	3	300,000	No data available	No data available	1	Project withdrawn from Gauteng SRAC
Manage arts, culture and heritage facilities and programmes	Solomon Mahlangu Freedom Square - Cultural Centre	711439	1	No data available	No data available	No data available	38	No data available
	Hammanskraal Cultural Centre	712397	1	No data available	No data available	No data available	73	No data available
	West End Facility for the Disabled	712549	3	490,000	Same	484,823	1	Project completed successfully
					73,998,900	67,567,429		91% of capital budget

5.4.5.9 Social Development

(a) Overview and description of key issues

Integrated community development entails:

- The implementation of the indigent policy and the maintenance of the indigent programme and the exit programme for the indigent;
- Early Childhood Development, which is one of the World Health Organisation's first priority programmes in the world for children aged 0 to nine years. Currently the funding and staff enables us to concentrate on the 0 to 5 age group. Because of a lack of capacity, programmes for those aged 6 to nine years are not yet fully operational. We need to promote partnerships with community-based organisations (CBOs) and non-governmental organisations (NGOs) to address the needs of the following:
 - o Children in crisis
 - o Child-headed families
 - o Support to caregivers
 - o Special programmes for traumatised children;
- The implementation of programmes meant to ensure the mainstream inclusion into society of the youth, women and people living with disabilities and the elderly, with the express purpose of decreasing their vulnerability. Multi-sectoral collaboration is needed, championed by ICD. These efforts will have an impact on crime prevention, joblessness, social isolation and psychosomatic diseases;
- Empowerment and capacity-building of NGOs and faith-based organisations (FBOs) to ensure effective and efficient service delivery at grass roots level; and
- Social research to guide and inform development initiatives which are geared towards poverty alleviation and improving the lives of people.
- Development of policies/ strategies for targeted groups

(b) Analysis of the function

Nature and extent of facilities provided:	2006/07		2007/08	
	No	R	No	R
Child care (including crèches etc)	10	18 mil	10	22 mil
Aged care (including aged homes, home help)	1	30 000	1	50 000
Number and cost to employer of all personnel associated with each community services function:	108	19 million	110	25 mil
Child care (including crèches etc)	60	13.8 Million	80	8 mil
- Aged care (including aged homes, home help)	0		10	1 million
Total operating cost of community and social services function		23 million		39 million

c) Key Performance Areas

Key Performance Area (KPA)	KPI	Achieved 2005/6	Achieved 2006/07	2007/08 Target	2007/08 Achieved	Rating	Explanation of variance/Corrective Actions
Implement at least 1 community skills development initiative per community per annum	Number of essential skills development initiatives implemented in communities in partnership with key role-players such as the SETA's, and in line with sector skills plans.	1	6	8	38	☺	Exceed target as AIDS/HIV training was not incorporated in the target
Maintenance of an Indigents database	Number of indigents (households) on the indigent register	2 000	46 800	52 000	47 774	☺	17 271 indigents are captured and verified by the service provider appointed, but the data is not captured on the treasury register. The service provider have to capture and verify 90000 indigents but only did 17271
	Number of indigent households evaluated	Not applicable	100% of forms received from finance evaluated	100% of forms received from finance evaluated	17 100	☺	
	Number of indigent households linked to exit programmes	Not applicable	114	150	1 240	☺	1 100 indigents submitted to Electricity for automated meter reading project
	Number of beneficiaries to municipal support grant (Beneficiaries are all members of the indigent household on the grant)			156 000	143 322	☺	

Key Performance Area (KPA)	KPI	Achieved 2005/6	Achieved 2006/07	2007/08 Target	2007/08 Achieved	Rating	Explanation of variance/Corrective Actions
Decrease the vulnerability of targeted groups at risk through mainstreamed programmes for children, youth, women, disabled and elderly	Number of projects implemented for the youth	4	6	5	50	☺	Target achieved
	Number of projects implemented for women	3	4	4	60	☺	Target achieved
	Number of projects implemented for the disabled	2	3	3	45	☺	Target achieved
	Number of projects implemented for the elderly	4	4	5	60	☺	Target achieved
	Number of projects implemented for the homeless	Not applicable	1	1	0	☺	The Homeless forum disbanded
	Number of projects implemented for children	3	7	4	30	☺	Target achieved
	Number of initiatives implemented that benefit vulnerable groups	Not applicable	15	20	245	☺	
	% increase in the expenditure on programmes that benefit vulnerable groups	Not applicable	0%	5%	8%	☺	R9 million were given to NGO crèches for benefit of poor children

Key Performance Area (KPA)	KPI	Achieved 2005/6	Achieved 2006/07	2007/08 Target	2007/08 Achieved	Rating	Explanation of variance/Corrective Actions
Provide affordable edu-care (pre-school facilities)	Number of child care facilities managed by the City of Tshwane		10	10	10	☺	Target achieved
	Number of children per child care facility			150 in 9 centres and 60 in the small facility	Average of 120 children in 9 big facilities and 58 for the smallest facility	☺	The number of children are growing in the crèches as in Sept 7 the average were 76 children per big facility, and 54 in the small facility
	Number of children cared for per staff member			Minimum = 25:1 and maximum = 30:1	Average of 29:1	☺	The number grew from 20 to 29 children per teacher in nine months
	Number of standards for pre-school facilities implemented			To be developed and implemented	Standard to be developed	☺	Still busy with consultation process

d) Project Progress

KPA	PROJECT n/aME	Project number	Fund	Budget	Adjustments budget	R spent at the end June 2008	Ward
Initiatives that benefit vulnerable groups	Community Empowerment Centres: Tunnels/Equip.	71 0316	5	1 700 000	1 700 000	1 698 626	17

5.4.6 Housing

a) Overview

The newly formed Housing and Sustainable Development Department was established by July 2007 as a result of the implementation of the Alternative Service Delivery Programme. The Department previously formed part of the Housing, City planning and Environmental Management Department where it featured as a Division. The Housing and Sustainable Development Department comprises two Divisions viz Housing Provision and Resource Management as well as Housing Administration. Housing is responsible for the provisioning of adequate housing opportunities for all residents of the City of Tshwane and performs the following functions:

- Rental housing administration
- Hostel redevelopment
- Sales, transfers and beneficiary administration
- Informal settlement and land invasion management
- Institutional housing facilitation
- Community participatory management
- Consumer education
- Demand database administration
- Housing provision project management

These functions include the role of “developer”, but not the management of the entire subsidised housing programme for Tshwane which currently falls within the jurisdiction of provincial government. The Municipality has a mandate to fulfil the role of a developer and to implement all provincially approved subsidised housing projects.

Furthermore, in striving towards the development of sustainable human settlements the Housing and Sustainable Development Department realised that urban cores must be developed as centres for the clustering of social facilities to provide services to surrounding communities. This led to the approval of the Housing Density Strategy during the year under review. Density in the housing provision strategy includes the reduction of urban sprawl, reduction of expenditure on bulk and link services, the densification and integration of the City, improvement of the socio-economic situation of the poor, optimising the use of available land, and the improved usage of public transport services. This implies that the following strategy is to be followed:

- High density housing in the inner city, within a 5 km radius, with high levels of services to be provided;
- Medium density housing around the inner city, within a 20 km radius, with high levels of services to be provided to all units; and,
- Low density on the periphery of the city, within a 20 km radius, with high levels of services for private development and intermediate levels of services otherwise.

b) Description of key issues

The following were the key issues for the 2007/08 financial year:

- Provide on-line information on National Home Builders Registration Council (NHBRC) requirements, the landlord and tenant tribunal process and the housing subsidy
- Run a consumer education programme
- Provide housing opportunities for the low income families of Tshwane including affordable rental accommodation (hostel redevelopment)
- Land identification and acquisition
- Set up labour base construction projects to create employment opportunities for the unemployed within the City of Tshwane (about 100 jobs)
- Provide a shelter for the homeless
- Appoint security companies to ensure that no land and/or building invasion takes place
- Promote staff development
- Financial management
- Implementation of Informal Settlement Management Plan. This has been regarded as a benchmark for Gauteng Province.
- Provide clean water through water tankers and JoJo tankers to informal settlement communities
- Provide chemical toilets at informal settlements.
- A demand database was introduced in collaboration with Gauteng Province from 1 June 2008 and will run through to 31 July 2008 to update all information of applicants. This database will then become the responsibility of the Department.
- Twenty prioritised township programmes in Mamelodi, Atteridgeville and Soshanguve.
- Accreditation business plan was finalised.

c) Analysis of the Function

Description	2005/06		2006/07		2007/08	
	Total	R	Total	R	Total	R
Number and cost of all personnel associated with the provision of municipal housing:			280	41 548 861	320	58 178 195
- Senior managerial (general manager, managers)	7	4 550 000	5	3 058 859	3	3 127 630
- Managerial (deputy managers, chiefs, assistant managers)	6	2 760 600	7	3 410 689	6	3 020 950
- Professional (architects, consultants, project managers, etc)	47	15 560 500	15	4 862 095	14	5 703 544
- Office (clerical, administration, secretarial, etc)	97	16 610 000	110	21 538 609	129	27 405 866

CHAPTER FIVE: Functional Statistics Analysis

Description	2005/06		2006/07		2007/08	
	Total	R	Total	R	Total	R
- Non-professional (drivers, workshop assistants, etc)	9	963 000	143	6 678 609	9	2 328 761
- Workers	108	6 400 000	113	8 245 550	123	14 501 500
- Temporary	Not available	Not available	36	1 326 000	36	2 089 944
- Contract	36	1 300 000	Not available	Not available	Not available	Not available
Number and total value of housing projects planned:						
- The 2007/08 financial year						
Serviced stands	12 000	157 656 000	12000	168 000 000	12 000	191 904 000
Top-structures	6 000	112 752 000	6000	112 800 000	6 152	184 363 136
Serviced stands (complete by 2010)	150 052	2 255 131 508	150 052	2 255 131 508	58 460	794 950 368
Top-structures (complete by 2010)	160 052	3 440 957 948	160 052	3 440 957 948	26 899	888 373 136
Total of type, number and value of housing provided (2007/08):						
- Residential stands serviced	20 473	527 555 706	Water 19 256 Sewer 19 376	156,609,579	Water 12 000 Sewer 12 006	Water 35 978 806 Sewer 28 359 221
- Low-cost housing top-structures	5 949	119 312 240	PRTs = 1,725 City of Tshwane = <u>5,884</u> 7,609	133,162,615	PRTs = 5 810 City of Tshwane <u>6 152</u> 11 962	125 175 979
- Hostels redeveloped (ie number of family units developed)	320	48 000 000	360	35 629 314	0 completed – still under construction	21 645 142
- Rental units available (no new units developed)	2 312	Not available	2312	Not available	2312	Not available
- Rental units in Schubart Park and Kruger Park	1 134	Not available	1134	Not available	1134	Not available
- Institutional housing units Planning Process (Private funds)	Planning and design HCT = 767 units Yeast = 460 units	-	Planning and design HCT = 767 units Yeast = 460 units		2705 units Townlands = 767 Absa Olieven-houtbosch = 1263 Yeast = 675	Units still in planning phase – awaiting funding
Total number and value of rental received from Municipality-owned rental units	A total of 53.85% was received from all units (flats, houses, etc)-	5 452 921	A total of 53.98% was received from all units (flats, houses, etc – 2312 units)	5 919 478	49,5%	Accumulative income: R6 057 479 Projected Income: R12 218 197,00
Estimated backlog in number of housing units (and cost to build them):		Not available	Not available	Not available	Not available	Not available
From aerial photographs taken during February 2005 and counted in March 2005 (number of families)	160 052	5 846 379 500	133 811	4 873 530 431	133 811	6 021 495 000
Type of habitat breakdown (estimates):		Not available		Not available		Not available

CHAPTER FIVE: Functional Statistics Analysis

Description	2005/06		2006/07		2007/08	
	Total	R	Total	R	Total	R
- Number of people living in a house or brick structure	5	Not available	5	Not available	Not available	Not available
- Number of people living in a traditional dwelling	5	Not available	5	Not available	Not available	Not available
- Number of people living in a flat in a block of flats	5	Not available	5	Not available	Not available	Not available
- Number of people living in a town, cluster or semi-detached group dwelling	5	Not available	5	Not available	Not available	Not available
- Number of people living in an informal dwelling or shack	5	Not available	5	Not available	Not available	Not available
-Number of people living in a						
room or flat let	3	Not available	3	Not available	Not available	Not available
Type and number of grants and subsidies received:	Services and Top structures MIG	166,966,327.11 <u>21,284,358.00</u> 188,250,685.11	Top Structures Services	71,475,510.00 <u>85,129,903.21</u> 156,605,413.21	Services and Top structures MIG	<u>Gauteng</u> Services R21 172 616.76 Houses R102 801 928,00 MIG R1 855 333,00 <u>North West</u> Houses R49 385 832.72 Total R175 215 710.40
- Hostel redevelopment (July 2007 to June 2008) received	226	R48 000 000	360	Saulsville Hostels 8,835,000 Mamelodi Hostels 3,336,802	240	Saulsville Hostels 0,00 Mamelodi Hostels 0,00
- Gauteng Provincial Government (subsidies allocated directly to a regional professional team ie not provided for on City of Tshwane budget)	Services R 55 863 201 Houses R 155 625 386 Total R 211 488 587		Services R246 066 677 Houses R104 977 398 Hostels R16 960 000 Total R368 004 075		0	0
Total operating cost of housing function (total from medium term budget 2007/08)	-	426 112 979	-	R130 636 568 (Excluding top-structures)	-	R252 444 599.48

d) Key Performance Areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
Eradication/ reduce of infrastructure backlogs	Provide in the demand for access to intermediate or higher levels of water services in formalised (proclaimed) areas	Number of stands provided with water connections	58 000	19 256	12 000	12 000	☺	Target achieved
	Provide sewer connections to formalise informal settlements	Number of residential stands provided with sewer connection	60 000	19 376	12 000	12 006	☺	Target achieved
		Percentage of households in informal settlements provided with chemical toilets and pit latrines provided by residents	No data available	100%	100%	100%	☺	This KPA was well performed with limited funds; additional funds were requested and provided.
	Providing top structures	Number of top structures provided	6000 top structures per annum in addition to the Gauteng 12 000 top structures pa	7609	6 000	6 152	☺	Target exceeded
	Develop family units at hostels	Number of completed family units at hostels	at least 240 family units per annum	360	240	0 completed – still under construction	☹	Target not achieved. Additional projects identified with funding Planning were done for the 2008-2009 financial year to start the process. commitment

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
	Establish informal settlements as townships	Percentage of settlements established as townships/land development application	Establishing townships from informal settlements at a rate of 10% pa.	12 of 65 settlements that can be established were established	25% of 42 remaining informal settlements = 10	0% - only 1 township approved	☹	Departmental risk Power of Attorney not on signatory not approved and this caused the delay on establishment
Provide infrastructure for growth	Provide in the demand for access to water services in informal settlements (unproclaimed areas)	Percentage of informal settlements (unproclaimed areas) receiving water by mobile tankers, Jojo water tanks and/or standpipes	100%	100%	80%	100%	☺	Monitoring and inspections was done continuously. This function was well performed with limited funds.
	Provide roads to manage the growth in the city	Number of residential stands provided with roads and stormwater drainage	6 000 per annum	12 450	6 000 (30 km)	7 162 (44.76 KM)	☺	Target exceeded
Provide for the demand/growth in housing services in formalised (proclaimed) areas	Rental administration	Number of rental units provided as a proportion of total number of rental units demanded (ie as a proportion of the waiting list)	2 410	No data available	2 410	2 410	☺	CRU programme only operational from the last part 2007. With these funds we might be able to build or refurbish current units.
Housing infrastructure maintenance	Repairs and Maintenance of Rental Units	Cost of repairs and maintenance as a percentage of the total operating income for housing services	Target < 30% of TOI per annum	No data available	R 20 137 623 projected income (including selling of rental scheme units) Budgeted maintenance R3 114 309	Accumulative income R6 057 479 Accumulative Expenditure R6 990 507 Projected Income R12 218 197	☺	Credit control still not effective. Only an average of 50% of money due is realised A service level agreement must be signed with the Finance Department to address this problem. Preventative measures must be put in place; tenants must only be allocated units that they can afford.

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
Increase participation and broaden the contribution in growing the city's economy through the development of SMMEs, cooperative cooperatives, the informal sector and the role of black people, women and youth	Support and develop SMMEs and cooperative cooperatives	Number of cooperative cooperatives supported	2	No data available	No data available	No data available	☹	Community not ready for the concept of cooperative cooperatives. They want individual ownership. Alternative Cooperative Cooperatives must be investigated; maintenance co-op's or cleaning co-op's
Develop viable communities	Intercept the cycle of poverty by investing in a Human Resource Development programme that optimizes the well-being and potential of our people from birth throughout life	Number of community members trained through City of Tshwane facilitation processes	24 000	No data available	4800	5212	☺	Target achieved
Ensure the safety of our communities, businesses and roads through fostering a culture of respect for the rights of all, the laws that govern us all and a high moral and ethical standard	Influx control			26 982 Shacks marked 12 059 Shacks registered 13 339 Data captured	29 302 shacks to be marked and registered	Shack marking = 11 178 Registration = 7 463 Relocation = 6 208	☹	The xenophobia cases hamper registration and shack marking. Availability of houses/ serviced stands/approval and funds
	Buildings and facilities' management	Number of rental facilities managed by the Housing department compliant with building regulations as a proportion of total rental facilities managed	100%	Rental units = 2410 Hostels (family units and single beds) = 23487	Rental units = 2410 Hostels (family units and single beds) = 23487	Rental units = 2410 Hostels (family units and single beds) = 23487	☺	Target achieved

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
Entrench a customer focused approach to citizenry and business by setting standards that we achieve guided by the Batho Pele principles	Manage and respond to customer complaints	Number of customer complaints received	No data available	No data available	< 18	100	☹	
Prudent Financial management	Expenditure management	% Opex spent	95%	No data available	95%	102%	☺	Target exceeded
		% Capex spent	98%	No data available	98%	79%	☹	Enhance project management capacity
Sound human resource management	Train employees according to the departmental skills development plan	Number of employees trained	280	5%	84 = 30%	194 = 70%	☺	Target exceeded
		Percentage of operating budget spent on implementing the workplace skills plan				0	☹	
	Performance management	Percentage of employee grievances finalised	No data available	No data available	No target set – Manage as necessary	4 cases 2 finalised 2 in process	☹	
		Number of employees disciplined according to the disciplinary procedure	No data available	No data available	No target set – Manage as necessary	No data available	☹	Not applicable as no data is available
		Levels to which the score-cards have been cascaded	No data available	No data available	New level 5	New level 5	☺	Target achieved

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Corrective Actions
	Employment equity	The number of people from the employment equity target groups employed in the three highest levels of management in compliance with the Municipality's approved employment equity plan, short term employment, and long term employment. (NKPI)	No data available	No data available	No data available	2	☹	1 x black female appointed as SED and 1 x black male appointed as ED
		Percentage of newly appointed employees from EE target groups			22,5%	12	☹	All appointments were from EE designated group
		Number of EE forum meetings held	No data available	No data available	4 meetings	No data available	☹	The Corporate Employment Equity Forum has been suspended pending the migration and placement of employees in their respective departments following the collective agreement.

(e) Progress with project implementation

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward	Comments/corrective action
Respond and manage dangerous incidents (fire, life-threatening emergencies and disasters)	Acquisition: Fire-fighting vehicles	710564	1	10 000 000	9 500 000	9 420 624 assigned as at 30/06/08	Tshwane wide	The following vehicles were purchased: 2 x skid units 1 x dry chemical powder unit 2 x engine companies 1 x Hazmat unit These are all replacements for vehicles nearing the end of their lifespan (exceeding 15 years). The advantages are lower maintenance costs and reduction in downtime which has an overall positive effect on service delivery. Two skid units and one DCP unit were delivered in January 2008. One prime mover and one LDV delivery vehicle was delivered in May 2008. Two engine companies were delivered at the end June 2008.
ReRespond and manage dangerous incidents (fire, life-threatening emergencies and disasters)	Refurbishment of fire-fighting vehicles	711454	1	1 000 000	950 000	864 159 assigned as at 30/06/08	Tshwane wide	Two vehicles (Fleet No 23/001 and 23/041) were refurbished and delivered.
En Ensure the safety of our communities, business and roads, fostering a culture of respect for the rights of all, the laws that govern us all and a high moral and ethical standard	Upgrading Drivers Licensing Testing Centres (DLTC) in Centurion	712552	1	1 000 000	950 000	810 310	48, 57, 61, 66, 69, 70	Quotations were lesser than the planned budget. Some of the funds were saved for tax rebate.

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward	Comments/corrective action
Decrease the crime levels working with the National Criminal Justice System, the South African Police Services, business and communities, ensuring visible policing and strengthening the municipal court system	Establishment of Metro Police Offices for Region 1	712022	1	7 000 000	6 650 000 (-350 000)	636 815	Ward 9, 11, 12, 14, 19, 20, 21, 22, 24, 25, 26, 27, 29, 33, 34, 35, 36	The dispute in land ownership delayed the expenditure of funds. R6,000,000 was transferred to Project 712348 (upgrading of control room). Only R650, 000 was spent on Project 712022.
Decrease the crime levels working with the National Criminal Justice System, the South African Police Services, business and communities, ensuring visible policing and strengthening the municipal court system	The establishment of network infrastructure (IT and CCTV)	712345	1	4 000 000	3 800 000 (-200 000)	3 490 429	Tshwane wide	R1, 225,000 was spent on CCTV infrastructure. The remaining funds were for tax rebate.

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward	Comments/corrective action
Decrease the crime levels working with the National Criminal Justice System, the South African Police Services, business and communities, ensuring visible policing and strengthening the municipal court system	Purchasing of cameras and other relevant equipment for speed law enforcement	711524	1	3 000 000	1 150 000 (-1 850 000)	976 989	Tshwane wide	The remaining funds were planned for the purchasing of 2 hand-held machines but it was decided that additional cameras should be bought because the old hand-held machine was scrapped. No tender was in place and the funds were not sufficient to purchase additional cameras.
Ensure the safety of our communities, business and roads, fostering a culture of respect for the rights of all, the laws that govern us all and a high moral and ethical standard	Development/Construction of Tshwane Overload Control Programme infrastructure	712347	1	6 000 000	6 400 000 (+400,000)	989 648	Tshwane wide	Construction of the Centurion Weigh Bridge was completed in March 2008. The EIA took six months for approval from GDACE for the construction of the Akasia Weigh Bridge, resulting in a delay of expenditure.

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward	Comments/corrective action
Decrease the crime levels working with the National Criminal Justice System, the South African Police Services, business and communities, ensuring visible policing and strengthening the municipal court system	Upgrading of the Metro Police Control Room/Ops Room/CCTV Control Room (Phase 1)	712348	1	4 000 000	4 800 000 (+800 000)	3 900 457	Tshwane wide	A report was submitted to the procurement committee to use the City of Cape Town tender document for the purchasing of the Tetra Communication System. Approval thereof was not received from the City Manager. A WBS (Work Breakdown Structure) was created for the purchasing of a command vehicle for event management but the tender was not approved.
FF Facility management	Renovation and upgrading of facilities	711455	1	1 000 000	950 000	945 764 assigned as at 30/06/08	Tshwane wide	The following projects were completed: Non-slip flooring (approximately R200 000) Bay doors (approximately R380 000) The remainder of the funds was used for other smaller renovations to various fire-stations in Tshwane.

5.4.7 Waste management

(a) Overview and description of key issues

As a result of alternative service delivery (ASD), Waste Management became a Division, aiming at ensuring that waste functioning was made more efficient and responsive to the needs of the residents. Waste Management forms part of the Agriculture and Environmental Management Department.

Waste Management's mission and key performance areas are the collection, transport, treatment and disposal of waste in an environmentally friendly and economical way and educating present and future generations of Tshwane about waste management through city cleansing, inner-city cleansing, refuse removal (domestic collection service), community-based contracts, inspectorate services, bulk services and fleet management, landfill management, clearing of vacant stands (illegal dumping), management and maintenance of infrastructure, and the collection, transportation and disposal of garden and domestic refuse.

(b) Analysis of the function

Details	2005/06		2006/07		2007/08	
	Total	R	Total	R	Total	R
Number of staff associated with refuse removal and their cost to the Municipality:						No data available
Professional (engineers, consultants)					No data available	No data available
Fieldworkers (supervisors/foremen)	66	4 620 000	66	4 827 622	No data available	No data available
Office workers (clerical/administration)	66	6 600 000	65	6 907 622	No data available	No data available
Non-professional workers (blue collar, outside workforce)	465	13 031 208	457	12 678 830	No data available	No data available
- Temporary workers	-				No data available	No data available
- Contract workers	1 206	50 524 341	1206	51 534 828	No data available	No data available
Number of households receiving regular refuse removal services, and frequency and cost of service:						No data available
-Removed by the Municipality at least once a week	721 790	153 76 243	731 552	8 818 416		
-Removed by the Municipality less often	44 162	9 252 822	45 344			
-Communal refuse dump used		Data not available	Data not available			
-Own refuse dump	Data not available		Data not available			

CHAPTER FIVE: Functional Statistics Analysis

-No rubbish disposal	Data not available		Data not available			
Total and projected tonnage of all refuse disposed:						
- Domestic/commercial	2 335 243	46 396 874	1 856 518 ¹⁰⁸	36 877 564	2 476 906 †	45 912 410
- Garden	268 552	8 037 986	657 252	6 390 198	651 648 †	6 126 816
Total number of refuse disposal sites:						
- Domestic/commercial	9	46 386 874	9	36 877 564	9	45 912 410
- Garden	11	8 037 986	11	6 390 198	11	6 126 816
Anticipated expansion of refuse removal service:					No data available	
- Domestic/commercial (number of clients)	439 012	21 599 380	336 580	17 553 337		
- Garden (number of clients)	Data not available		Data not available			
Free basic service provision:						
- Quantity (number of households affected)	90 000	1 656 000	90 000	1 656 000		
- Quantum (value to each household)	-	18 - 40		18 - 40		
Total operating cost of Waste Management Section		259 309 858		236 072 614		

¹⁰⁸ Decrease due to recycling activities

(c) Key performance areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Eradication/reduction of infrastructure backlogs	Refuse collection	Number of sites in un-proclaimed areas serviced		90 000		40 000	☺	
Provide quality infrastructure for growth	Refuse collection	Tons of waste disposed of and treated		1 651 252			☺	No data available
		Waste removed (tons per annum) by contractors		317 000			☺	No data available
		Square metres (m ²) of grass cut		26 676 653 m ² 3 999 338	Seasonal in nature 38 867 520 ±	18 579 117,85 m ²	☺	
		Cubic metres (m ³) of illegal dumping removed		374 976 m ³ 5 784 004		1 615 332,15 m ³	☺	
		Number of new household waste removal service points	112 294	9 762	16 000	11 830	☺	The restriction on the data office at Waste Management to create Business Partners contributes largely to the delivery of new services especially for the RDP houses
		No of swivel bins	95 100		1 585	1 585 has been delivered	☺	Target achieved
		No of new business/commercial waste removal service points	All applications provided for		All applications provided for	2 041	☺	
		Total tonnage domestic waste collected	No target – total tonnage is collected		No target – total tonnage is collected	2 451 597 ton	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
		Total tonnage commercial waste collected	DATA NOT AVAILABLE Depends on demand		DATA NOT AVAILABLE Depends on demand	230 850 ton	☺	
	Recycle waste	Tonnage of disposed waste treated/recycled				34 011 t	☺	
Ensure maintenance of existing infrastructure	Landfill management	Number of buyback centres operated		3			☹	No data available
		Number of weighbridges operated		6			☹	No data available
		Capacity of landfill/refuse disposal site as a proportion of projected tonnage demand p.a.	15%		3 000 000 t before recycling 2 500 000 t after recycling	2 476 906 t before recycling 2 442 894 t after recycling	☺	Annual project of 3 million ton waste before recycling and 2.5 million after recycling. Implemented recycling initiatives where waste is generated.
	Operational expenditure on repairs and maintenance	Waste removal services repairs and maintenance to the total operating income for waste removal			10,7% (corporately)	Total operating income: R24 856 141 Repairs and maintenance: R105 714 702 = 42%	☺	

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Increase participation and broaden the contribution in growing the city's economy through the development of SMMEs, cooperatives, the informal sector and the role of black people, women and the youth	Optimise labour intensity and community involvement through contract management Cleaning of public areas	No of community-based contracts		27			☹	No data available
Promote viable (sustainable) communities by establishing mixed human settlements with social and cultural programmes that enable the celebration of diversity and foster social inclusion	Improve environmental sustainability Reduce per capita waste disposal to landfill	Tonnage of disposed waste treated/recycled % reduction per capita waste disposal to landfill	Depends on amount of waste disposed of		Depends on amount of waste disposed of	34 011 ton 5 275 kg	☹	
Entrench a customer –focussed approach to citizenry and business by setting standards that we achieve, guided by the Batho Pele principles	Respond and manage customer complaints in the Agriculture and Environmental Management Department	No of customer complaints regarding waste management services			No target is set. The goal is to respond to all and to reduce through improved service delivery	1 858	☹	
Sustainability management	All revenue generation targets are realised by departments that generate revenue	R income generated		13 192 287			☹	No data available

d) Landfill yearly waste volumes received: 2001/02 – 2007/08

SITE/2007	2001/02 Ton	2002/03 Ton	2003/04 Ton	2004/05 Ton	2005/6 Ton	2006/07 Ton	2007/08 Ton
Derdepoort	199 823	176 724	475 618	413 158	431 573	251 947	222 180
Garsikloof	551 459	229 080	695 481	315 366	267 721	233 730	134 082
Ga-Rankuwa	146 467	112 356	79 009	42 248	96 077	126 961	152 138
Hatherley	127 892	143 700	157 719	183 646	230 953	288 054	219 652
Kwaggasrand	134 834	169 092	366 416	405 663	403 755	310 984	334 837
Onderstepoort	151 046	209 280	335 824	331 556	473 511	683 521	610 612
Soshanguve	85 047	92 964	113 159	97 478	96 995	197 673	136 685
Temba	154512	52 368	25 872	22 871	63 556	41 331	34 002
Valhalla	441 168	212 916	494 085	363 490	271 102	267 639	397 391
Subtotal	1 992 248	1 398 480	2 743 183	2 175 476	2 335 243	2 401 840	2 241 594

e) Project progress

KPA	PROJECT NAME	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Provide quality infrastructure for growth	Bulk containers	712090	1	6 000 000	No data available	7 135 410	Tshwane wide
	240 litre containers	712092	1	8 000 000	No data available	784 864	Tshwane wide
	1000 litre containers	712093	1	1 000 000	No data available	949 221	Tshwane wide
	Swivel bins	712094	1	2 000 000	No data available	2 399 562	Tshwane wide

5.4.9 Waste-water Management

(a) Overview and description of key issues

Waste-water collection management includes the operation and maintenance of municipal sewerage services and the facilitation of development in the city, being responsibilities of the Water and Sanitation Division. The sewerage functions of the Municipality are administered as follows and include:

- Ongoing assistance to facilitate new developments and ensure that sewerage infrastructure was installed in accordance with standards and specifications. However, the personnel situation is severely impacting on this responsibility and the division is no longer able to cope with the increasing workload.
- Analysis of all aspects of the systems to proactively identify worn-out infrastructure, problems and bottlenecks.
- The augmentation of the Pienaars River Outfall Sewer: The construction of about 4 km outfall sewer and 453 m of concrete lined sewer tunnel at a cost of R55 million.
- The augmentation of the Moreletaspruit Outfall Sewer: Four main contracts were awarded and work started late in the financial year. About 1 km of outfall sewer and pipe jacking was done at a cost of R10 million.
- Continuous management and control to ensure availability of service.

The Water and Sanitation Division is also responsible for waste-water management. These services include chemical and bacteriological analyses, but do not take account of stormwater management and drainage systems which resides within the jurisdiction of the Roads and Stormwater Division. The following were among the functions performed during the 2006/07 financial year:

- The treatment of waste water to the prescribed standards set by the Department of Water Affairs and Forestry.
- Ongoing assistance to ensure that new infrastructure is developed and waste-water treatment infrastructure is built in accordance with the latest technology and specifications.
- Chemical and bacteriological analyses (according to the required standards) of water in the waste-water treatment process, water in rivers and industrial effluents. The number of analyses for the period was –
 - 25 456 river analyses;
 - 2 834 power station analyses;
 - 18 602 industrial effluent analyses; and
 - 58 673 waste-water treatment and borehole analyses.
- Continuous management and control to ensure the optimum availability and performance of the waste-water treatment works.

(b) Analysis of the function

Number and cost to employer of all personnel associated with sewerage functions:	2006/07		2007/08	
	No	R (000s)	No	R (000s)
- Professional workers (engineers/consultants)	16	35 000	16	42 000
- Fieldworkers (supervisors/foremen)	44		44	
- Office workers (clerical/administration)	15		15	
- Non-professional workers (blue collar, outside workforce)	148		148	
- Temporary workers	4		4	
- Contract workers	18		18	
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	245	35 000	245	42 000
Number of staff associated with the waste-water treatment function and their cost to the Municipality:				
- Legislators, senior officials and managers	No data available	No data available	No data available	No data available
- Technicians and associate professionals	4	No data available	4	No data available
- Clerks	24	No data available	24	No data available
- Plant and machine operators and assemblers	5	No data available	5	No data available
- Elementary workers	25	No data available	25	No data available
	186	No data available	186	No data available
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package				
	244	32 400	244	37 500
Number of households with sewerage services, and type and cost of service:	No	R (000s)	No	R (000s)
- Flush toilet (connected to sewerage system)	376 000	60 000	382 000	No data available
- Flush toilet (with septic tank)	n/a	No data available	No data available	No data available
- Chemical toilet	n/a	No data available	No data available	<cost>
- Pit latrine with ventilation	8 700	On-site: owners are responsible	No data available	On-site: owners are responsible
- Pit latrine without ventilation (Includes informal areas)	174 612	On-site: owners are responsible	No data available	On-site: owners are responsible

Number and cost to employer of all personnel associated with sewerage functions:	2006/07		2007/08	
	No	R (000s)	No	R (000s)
- Bucket latrine	n/a	No data available	No data available	<cost>
- No toilet provision	n/a	No data available	No data available	<cost>
Note: if other types of services are available, please provide details			32 712	272 328
Anticipated expansion of sewerage (number of households):	7 000	95 million	No data available	No data available
- Flush/chemical toilet			No data available	No data available
- Pit latrine	7 000	95 000	No data available	No data available
- Bucket latrine			<total>	<cost>
- No toilet provision			<total>	<cost>
Estimated backlogs (excluding informal areas)	38 218	550 million	32 712	792 328
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the Municipality				
The Municipality was mandated to –				
- replace, upgrade or construct waste-water treatment works.	20 Ml per day	20 million	20 Ml per day	44 million
Waste-water treatment works and the design capacity of each:				
Rooiwal	245 Ml per day		245 Ml per day	
Daspoort	60 Ml per day		60 Ml per day	
Baviaanspoort	58 Ml per day		58 Ml per day	
Zeekoegat	30 Ml per day		30 Ml per day	
Sunderland Ridge	45 Ml per day		45 Ml per day	
Sandspruit	20 Ml per day		20 Ml per day	
Rietgat	27 Ml per day		27 Ml per day	
Klipgat	55 Ml per day		55 Ml per day	
Temba	12,5 Ml per day		12,5 Ml per day	
Babelegi	4,7 Ml per day		4,7 Ml per day	
Effluent standards set by the Department of Water Affairs and Forestry for discharges into a river	20 Ml per day	139 million	20 Ml per day	139 million

Number and cost to employer of all personnel associated with sewerage functions:	2006/07		2007/08	
	No	R (000s)	No	R (000s)
- pH	$\geq 6,5 \leq 8,5$		$\geq 6,5 \leq 8,5$	
- Electrical conductivity	$\leq 80 \text{ mS/m}$		$\leq 80 \text{ mS/m}$	
- Nitrate (as N)	$\leq 6 \text{ mg/l}$		$\leq 6 \text{ mg/l}$	
- Free and saline ammonia (as N)	$\leq 1 \text{ mg/l}$		$\leq 1 \text{ mg/l}$	
- Chemical oxygen demand (as O)	$\leq 50 \text{ mg/l}$		$\leq 50 \text{ mg/l}$	
- Orthophosphate (as P)	$\leq 0,9 \text{ mg/l}$		$\leq 0,9 \text{ mg/l}$	
- Suspended solids	$\leq 10 \text{ mg/l}$		$\leq 10 \text{ mg/l}$	
- Free residual chlorine (as Cl)	$\leq 0,2 \text{ } \mu\text{g/l}$		$\leq 0,2 \text{ } \mu\text{g/l}$	
- Faecal coliforms	≤ 150 CFU/100 ml		≤ 150 CFU/100 ml	
Free basic service provision:				
- Quantity (number of households affected)	351,000	91 200	34 656	4 925
- Quantum (value to each household)		260		142
Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of free basic services provided.				
Total operating cost of waste-water treatment function		122 million		154 169 358
Total operating cost of sewerage function		145 000		120 297 877

(c) Key performance areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Provide quality basic services and infrastructure – sanitation services	Ensure sewer capacity to meet the growing demand ¹⁰⁹	Length of bulk sewer network pipelines installed (m) to support growing demand (new)	Annual targets: 2006/07: 0 2007/08: 1 507 2008/09: 1 280 2009/10: 4 500 2010/11: 2 000	0 m	1 507 m	0 m new 6597 m upgraded and replaced	☺	IDP 7103938: The installation of 1 507 m was planned. The contractor was appointed in Feb 2008. Delays due to: Dispute amongst Joint Venture Contractors Legal and tender processes 6 597 m of bulk water pipes were upgraded and replaced (see maintenance). Variance on targets will be installed in the next financial years
		Length of internal sewer network pipelines installed (m) to support growing demand (new)	Annual targets: 2006/07: 3 134 2007/08: 0 2008/09: 59 720 2009/10: 159 400 2010/11: 86 000	3 134 m	0 m	0 m new 47 425 upgraded and replaced	☺	0 m of new internal sewer network pipes was planned. 47 425 m of internal sewer network pipes were upgraded and replaced.
		ML waste water treatment capacity upgraded (capital)	Annual targets: 2006/07: 0 ML/d 2007/08: 20 ML/d 2008/09: 0 ML/d 2009/10: 0 ML/d 2010/11: 16 ML/d 2011/12: 85 ML/d	557,2 ML/d	20 ML/d	0 ML/d	☹	Increase in capacity planned for the end of the 2007/08 financial year, is delayed to July 08 due to civil contractor not being on schedule. Full penalties paid by civil contractor

¹⁰⁹ Bulk and internal network sewer pipelines and waste water treatment capacity are provided to formal and informal areas in an integrated way and therefore no differentiation is made between proclaimed and un-proclaimed areas in this regard.

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Eradicate the backlog in formal areas (proclaimed areas) with access to at least a basic level of sanitation	No of households with a below basic level of service provided with at least a basic level of sanitation service	Annual targets: 2006/07: 1 473 2007/08: 3 311 2008/09: 4 585 2009/10: 2 019 2010/11: 26 108	1 473	3 311	1 217	☹ ☹	<p>This division is committed to achieve the 2010 sanitation targets. It is however subject to:</p> <ul style="list-style-type: none"> • The approval of the special procurement process for the appointment of consultants and contractors. • The performance of consultants and contractors. • Availability of required construction material and contractors with the necessary CIDB registration. • Suitable weather and geological conditions.
Continuously repair and maintain existing sewer infrastructure	Waste-water treatment	ML /day waste water treated per day	Annual targets: 2006/07: 380 ML/d 2007/08: 577,2 ML/d 2008/09: 577,2 ML/d 2009/10: 577,2 ML/d 2010/11: 577,2 ML/d 2011/12: 678,2 ML/d	380 ML/d	557,2 ML/d	527 ML/d	☺	<p>Normal daily flow received at WWTW.</p> <p>The first upgrade of 20 ML/d for Sunderland Ridge WWTW is due for completion by July 2008, one month delay due to the civil contractor not being on schedule.</p> <p>Full penalties paid by the civil contractor. Increase in capacity planned for the end of the 2007/08 financial year, is delayed to July 08 due to civil contractor not being on schedule.</p> <p>Full penalties paid by civil contractor.</p>

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Repairs and maintenance budget	Sewer repairs and maintenance to TOI (total operating income for sewer)	A minimum of 14% per annum	9,55%	9,29%	10,93%	☺	Monthly/Quarterly performance dependant on various factors. Done as and when required. A minimum of 14% per annum is required to ensure networks are kept in good condition.
		R spent on infrastructure (upgrade and replace)	NA	R149 830 000	R101 725 000	R113 506 458	☺	Monthly/Quarterly performance dependant on various factors. Project implementation as per Project Management and Control (PMandC) process to achievement of the annual targets.
	Private blockage removals			3 085 complaints R1 021 million	No annual target. Complaints are attended to as and when received.	3 285 complaints R1,091 million	☺	
	Municipal blockage removals			16 568 complaints R9 243 million	No annual target. Complaints are attended to as and when received.	23 742 complaints R11,819 million	☺	
Entrench a customer-focused approach to citizenry and business by setting standards that we achieve, guided by the Batho Pele principles	Manage response times to customer requests and enquiries	Number of customer complaints received per function	No annual target. Complaints are attended to as and when received			Sanitation: Received: 6709 Completed: 4577	☺	

d) Progress with project implementation

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Continuously repair and maintain existing sewer infrastructure	Upgrading of sewers in Mamelodi	710007	1	20 000 000	28 396 000	28 393 708	6, 15, 18, 23, 28, 38, 40, 67
Continuously repair and maintain existing sewer infrastructure	Upgrading of sewers in the Tshwane area - Atteridgeville sewer networks	710010	1	1 725 000	425 000	424 726	51, 51, 51, 51, 62, 62, 62, 63, 63, 63, 63, 68, 68, 68, 72, 72, 72
Eradicate the backlog	Extension of the Sunderland Ridge Waste-water Treatment Works	710364	5	10 000 000	10 000 000	10 000 000	47, 48, 57, 61, 64, 65, 66, 69, 70
Eradicate the backlog	Extension of the Sunderland Ridge Waste-water Treatment Works (WWTW)	710364	1	20 000 000	21 950 000	18 023 259	47, 48, 57, 61, 64, 65, 66, 69, 70
Continuously repair and maintain existing sewer infrastructure	Replacement, upgrading and construction of waste-water treatment works	710411	1	6 000 000	7 000 000	6 921 773	3, 5, 6, 22, 37, 49, 70, 74, 75
Eradicate the backlog	Mandela Village sewer replacement	710753	5	9 000 000	9 000 000	8 999 996	73
Continuously repair and maintain existing sewer infrastructure	Mandela Village sewer replacement	710753	1	8 600 000	4 312 000	2 690 719	73
Continuously repair and maintain existing sewer infrastructure	Replacement of sewers	711404	1	8 000 000	8 000 000	7 998 955	11, 25, 26, 27, 29, 33, 34, 35, 36, 37, 48, 57, 61, 64, 65, 66, 69, 70, 101
Continuously repair and maintain existing sewer infrastructure	Klerksord and Heatherdale main sewer	711528	1	8 600 000	11 284 000	11 284 000	4
Ensure sewer capacity to meet the growing demand	Bulk sewer in Klip-Kruisfontein	711534	1	150 000	150 000	73 962	39
Eradicate the backlog	Sewer networks: Soshanguve Blocks TT and TT Ext	711756	1	340 000	3 685 000	3 665 836	39

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Eradicate the backlog	Kopanong housing project bulk water and sewerage (sewer)	710393	1	3 180 000	1 500 000	1 474 338	20
Continuously repair and maintain existing sewer infrastructure	Moreletaspruit outfall sewer	712121	1	24 500 000	29 130 970	29 076 706	41, 42, 43, 44, 45, 46, 47, 52
Implement job creation initiatives	Re-establishment of WWC operational depots	712123	1	8 000 000	800 000	799 482	4, 11, 12, 19, 20, 21, 22, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 49, 73, 74, 75
Continuously repair and maintain existing sewer infrastructure	Extension of Zeekoegat WWTW	712125	1	3 000 000	3 000 000	2 998 080	40, 41, 42, 43, 44, 45, 46, 47, 52, 56, 100
Eradicate the backlog	Extension of Temba WWTW	712126	5		2 159 000	2 158 998	8, 73, 74, 75, 76
Eradicate the backlog	Extension of Temba WWTW	712126	1				8, 73, 74, 75, 76
Continuously repair and maintain existing sewer infrastructure	Extension of Klipgat WWTW	712127	1	1 000 000	550 000	524 503	9, 12, 19, 20, 22, 29, 30, 31, 32, 33, 35, 36
Continuously repair and maintain existing sewer infrastructure	Extension of Rooiwal WWTW	712128	1	3 000 000			1, 2, 4, 5, 7, 49, 50, 51, 52, 53, 54, 55, 56, 58, 59, 60, 61, 62, 63, 66, 68, 71, 72

5.4.10 Road Transport

5.4.10.1 Transport Planning

a) Overview and description of key issues

The Transport Development Division consists of 6 sections namely:

1. Transport Research, Economics and Funding
2. Transport Planning and Information Systems
3. Transport Operations Development
4. Transport Facility Development
5. Municipal Transport Services
6. The Wonderboom Airport which was also placed as a functional responsibility with the Transport Development Division since 1 July 2007

Strategic objectives

To identify, plan, construct, operate, manage and control transport facilities (including public transport roads/routes and airports) through -

- developing technical tools to ensure a fully integrated and sustainable transport system for the City of Tshwane and to oversee the development, implementation and monitoring of the Integrated Transport Plan (ITP);
- eradicate transport infrastructure backlogs;
- improving the utilisation of public transport modes;
- leasing of new buses for Tshwane Transport according to a replacement programme;
- managing and maintaining public transport facilities; and
- to operate, manage and develop Wonderboom Airport in accordance with (South African Civil Aviation Authority (CAA) requirements and International Civil Aviation Organisation (ICAO) standards ensuring optimal aviation safety.

Key issues

The critical key issues regarding Wonderboom Airport are to ensure that CAA compliance requirements are at all times met as prescribed by the applicable legislation, as well as to enhance the development of the airport to become a fully sustainable entity.

b) Analysis of the function

Details	2006/07		2007/08	
	Number	R	Number	R
Number and cost to employer of transport planning staff employed:				
- Professional workers (managerial/specialist)	16	411 045,60	16	52 6238.83
- Field workers (supervisory/foremen)			6	116 209.95
- Office workers (clerical/administrative)	21	265 109,00	13	290 734.98
- Non-professional workers (blue collar, outside workforce)			11	108 917.81

(c) Key performance areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Invest in economic infrastructure and a transport system that promotes greater efficiency regarding logistics, and optimise productivity of human capital by reducing travelling time between home and work	Wonderboom Airport, operations, management and development	No of aircraft movements	100% compliance with CAA requirements	Complete planning activities to develop airport's real development potential	Negotiate funding to proceed with initiated projects, aim at 100% CAA requirement compliance	136 400 aircraft movements experienced	☺	New record. Complete preparatory work for arrivals, departure halls, initiate scheduled flights, comply 100% to CAA compliance requirements, enhance aviation safety
		% compliance of WBAs operations with aviation legislation	100% compliance	Status quo investigation completed	100% complete	30% complete	☹	ROD on submitted EIA outstanding - delay by GDACE. Operational manual, airport emergency plan, aviation safety plan completed.
	To improve the functionality of public transport	Number of feasibility studies Transport Authority (TA) established TIFA ¹¹⁰ establishment facilitated	2 feasibility studies TA implemented Begin construction	Status quo analysis Council report Council approval and appointment of project co-ordinator	1 feasibility study Implement TA Appoint facilitator and initiate feasibility study	1 complete MEC approval outstanding Facilitator not appointed	☺ ☹ ☹	Target achieved Letter submitted by EM to MEC. No funds available.
	To develop and maintain an Integrated Transport Plan (ITP)	Data inputs to existing ITP	100% review of ITP	Council approval	100% complete	100% complete	☺	Service provider to be appointed.

¹¹⁰ Tshwane International Freight Airport

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Invest in economic infrastructure and a transport system that promotes greater efficiency regarding logistics, and optimise productivity of human capital by reducing travelling time between home and work	To complete planning and detail design of the 1st phase of the Bus Rapid Transit System (BRT)	Output: Fully operational BRT system. Outcome: Effective and efficient usage of the BRT System that provides a quality, safe and reliable PT service	Completion of phase 1	100% operational 1st phase (1.92 km that will run from Mabopane through the CBD past Hatfield via Mamelodi)	20% complete operational plan and begin detail design	100% ops plan completed	☺	Target achieved
	To improve the utilisation of PT modes	Status quo investigation on use of private cars and changes in travel patterns	Annual review	Consultant appointed	20% improvement	20% completed	☺	BRT operational plan completed
	Maintain and clean all public transport facilities per annum	Number of public transport facilities maintained	Cleaning and maintenance of all facilities	48	48	48	☺	Of the 15 facilities constructed, 2 have to be added to the facilities that need to be maintained (cleaned) by the city annually – ie 50 for the 2008/09 financial year.
Eradicate public transport facility backlogs		R spent on operational repairs and maintenance of public transport facilities	R 25 M	R 15 M	R 15 M	R 15 M	☺	Target achieved
		No of public transport facilities constructed	Construct 47 public transport facilities by 2011	18	18 facilities	15 facilities constructed	☺	Lost staff
		Number of new and informal facilities formalised to basic level of service per annum	4 per annum	4	4	0	☺	Availability of funds

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Increase participation and broaden the contribution in growing the city's economy through the development of SMMEs, cooperatives, the informal sector and the role of black people, women and the youth	Give preference to local vendors to provide non-specialised service	Percentage of local vendors used for non-specialised services	90%	60%	70%	70%	☺	Target achieved
Prudent financial management	Expenditure management	% Capex spent	85%	67,1%	100% (WBA) 70%	100% (WBA) 45,75% (Transport Planning)	☺ ☹	Target achieved
		% Opex spent	100%	100%	100% (WBA) 95%	100% (WBA) 51,33% (Transport Planning)	☺ ☹	Target achieved Income received from NDOT has decreased the expenditure pattern as the amounts will be rolled over into the 2008/09 financial year.
		Remuneration as a % of the total	To be established	10%	10%	9%	☹	WBA: The remuneration budget has to be adjusted to make provision for the new permanent organisational structure (once approved) as to staff the airport to meet CAA requirements and ensuring the optimal working of the airport according to the airport's license requirements

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Sound HR management	Performance management	% of employee grievances finalised	To address all grievances successfully	100%	To have the first and second personnel grievance addressed successfully	WBA: The first personnel grievance can only be addressed if a permanent structure is approved for the airport. The second grievance process is in stage 3 and needs to be finalised.	☺	The airport's validated organisational structure needs to be approved
		Number of employees trained	15	3	5	8	☺	Improvement on training programmes
		Number of employees disciplined according to the disciplinary procedure	100%	100%	No targets set – deal with disciplinary matters as needed	1	☺	
		Levels to which individual performance management is cascaded	All management levels	Manager	Manager and chief level	Manager and chief level	☺	

d) Progress with Project Implementation

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward	Comments/ Corrective Action
Wonderboom Airport, operations, management and development	Electrical reticulation upgrade	712571	1	750 000	No data available	750 000	50	Less than 50% of target reached due to lack of appropriate budget (the available budget was 100% spent)
	Upgrade water reticulation	712572	1	500 000	No data available	500 000	50	Less than 50% of target reached due to lack of appropriate budget (the available budget was 100% spent)
Eradicate public transport facility backlogs	Mabopane Station Modal Interchange	710657	5	13 000 000	13 000 000	9 134 004	19	
Eradicate public transport facility backlogs	Mabopane Station Modal Interchange	710657	1	3 000 000	3 000 000	1 298 929	19	
Eradicate public transport facility backlogs	Dr George Mukhari Hospital, Bus and Taxi Facilities	710658	1	1 250 000	700 000	349 432	31	
Eradicate public transport facility backlogs	Pretoria CBD Public Transport Facilities	710661	1	1 250 000	1 250 000	1 213 950	3	
Eradicate public transport facility backlogs	Provide Bus and Taxi Lay-bye's and Shelters	710662	1	1 ,500 000	1 500 000	913 887	Tshwane wide	
Eradicate public transport facility backlogs	Dairy Mall Taxi Rank: Provide Paving Shelter Lights	710667	1	5 000,000	3 500 000	1 751 967	60	
Eradicate public transport facility backlogs	Marabastad Bus Facilities	710670	1	1 000 000	1 550,000	747 293	3	
Eradicate public transport facility backlogs	East Lynne Bus and Taxi Facilities	710671	5	4 000 000	4 000 000	0	52	

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward	Comments/ Corrective Action
Eradicate public transport facility backlogs	Saulsville Station Pedestrian Facility	710743	1	500 000	No data available	0	68	
Eradicate public transport facility backlogs	Klip-Kruisfontein Multimodal Transfer Facility	711754	5	1 500 000	1 500 000	1 374 425	37	
Eradicate public transport facility backlogs	Rainbow Junction/Pretoria North Public Transport: 2010	712382	5	1 800 000	1 800 000	No data available	50	
Promote a culture of competitive and professional sports activities and prepare the city to host the Confederation and FIFA World Cup events in 2009 and 2010 respectively	Loftus Versfeld Pedestrian Link (DOT FUNDED)	712561	3	2 000 000	No data available	No data available	56	
Promote a culture of competitive and professional sports activities and prepare the city to host the Confederation and FIFA World Cup events in 2009 and 2010 respectively	Other Transport Support Projects - 2010 (Transport Infrastructure)	712592	3	4 000 000	4 000 000	No data available	Tshwane wide	
Sustainability management	Electronic Ticketing System (Bus Service)	712593	1	15 000 000	15 000 000	No data available	Tshwane wide	
Sustainability management	Electronic Ticketing System (Bus Service)	712593	3	10 000,000	10 000 000	No data available	Tshwane wide	
Eradicate public transport facility backlogs	Construction of the Bloed Street Taxi Facility	712614	1	1 000 000	No data available	No data available	Tshwane wide	
Eradicate public transport facility backlogs	Ward-based Project: Transport	712617	1	7500 000	7 500 000	3 673 793	8, 9, 12, 14, 19, 20, 21, 22, 24, 30, 31, 32, 40 (Nelmapius part), 43, 48, 73, 74, 75, 76	

5.4.10.2 Public Buses

(a) Overview and description of key issues

The Tshwane Bus Services provides the following services:

- Transportation of residents and visitors in certain areas of the city
- Special bus hires
- Bus contract services
- Repair and maintenance of buses
- Route planning and time scheduling
- Ticket sales at ticket outlet points

The bus services needs an electronic-fare collection system which will encompass ticketing, surveillance cameras, tracking system and communication system. A tender has been awarded to determine the specifications for such a system and it is hoped that the recommendations will be finalised, where after the bus services will, subject to funds being available, go out on tender to acquire the technology. It is envisaged that the installation of this system will boost revenue by about 30% as a result of enhanced revenue collection.

(b) Analysis of the function

Statistical information and R expenditure	2006/07		2007/08	
	Total No	Cost	Total No	Cost
1. Number and cost to employer of all public bus service personnel:	334	52 859 691	433	74 625 087
- Professional workers (engineers/consultants)	2	No data available	1	475 542
- Fieldworkers (supervisors/foremen including inspectors)	24	No data available	9	2 302 596
- Office workers (clerical/administration)	9	No data available	14	2 393 548
- Non-professional workers (blue collar, outside workforce including drivers)	272	No data available	371	68 941 439
- Temporary workers	27	No data available	21	511 962
Contract workers	0	No data available		
Note: Total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package				

CHAPTER FIVE: Functional Statistics Analysis

	2005/6		2006/07		2007/08	
	Total No	Cost	Total No	Cost	Total No	Cost
Number and total operating cost of public buses servicing population:		109 370 450	No data available	No data available	No data available	No data available
Aged ten years or greater	296	No data available	296	R49 530 000	296	R72 402 894
Note: this figure should be taken from the plant replacement schedule						
Total kilometres of all buses travelled:	8 200 000	No data available	8 369 123	No data available	No data available	No data available
Note: total number of kilometres travelled by entire fleet for year						
Total number of passengers:	13 100 000	No data available	14 279 126	No data available	No data available	No data available
Note: total number of paying passengers travelling for year						
Total number of bus related complaints received:	1 663	No data available	40 per annum	No data available	No data available	No data available
Note: total number of complaints received by paying customers for year						
Contribution from the Municipal Tax Fund	No data available	24 387 700	No data available	R 24 000 000	No data available	R 24 467 799
Note: total value of specific bus transport grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year						
Total operating cost of public bus service function	No data available	149 643 171	No data available	R83 437 690		R106 796 092

(c) Key performance areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Invest in economic infrastructure and a transport system that promotes greater efficiency regarding logistics, and optimise productivity of human capital by reducing travelling time between home and work	Investigate the expansion of municipal bus services to the northern/southern region of Tshwane		Jun 2009	Submission was made to DoT for permits for new identified routes and services will be commissioned after obtaining permits	No data available	No data available	☹	Subject to the approval of the budget required for the extra resources and personnel required to expand to these routes
	Facilitate the provision of new buses for the public transport system	Number of new buses provided for the public transport system	300 by 2011	0	100	Awaiting finalisation of the Finance Agreements by the CFO where after delivery will take place of the first consignment of buses	☹	Supplier has been appointed. Bus delivery three months behind schedule but steps put in place to rectify this. End delivery time remains unchanged.

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Introduction of a Fleet Management System		June 2009	Framework completed, having three phases. The first phase is in the process of implementation and evaluation			☹	Tender not approved for advertisement by Tender Specification Committee, To be split from Electronic Fare Collection tender. With the envisaged recapitalisation of the Bus Fleet this will be addressed as part of the procurement of the new vehicles
Sustainability management	Review the organisational structure to meet the needs and goals of a separate entity	Type of municipal entities established	Comparison of expenditure before and after implementation of alternate service delivery mechanisms shows savings by 2011	No data available	Complete a section 78(1) investigation	Was done but this did not include the needs of those communities which do not currently benefit from a public transport service.	☺	This must be revised to include the requirements for expansion to these areas
Prudent financial management	Ensure departmental compliance with legislation and no audit qualifications	No incidences of fruitless and wasteful expenditure and the R value thereof	No data available	No data available	No data available	R36 820 000		A system was put in place to monitor monthly deviations
Sound HR management	Manage employee grievances	% of employee grievances finalised	No data available	No data available	90%	97%	☺	Target achieved
	Train employees according to the departmental skills development plan	Number of employees trained	No data available	No data available	No data available	52	☹	

5.4.11 Roads and Stormwater

(a) Overview and description of key issues

The planning, provision and maintenance of roads, stormwater and traffic signalling infrastructure are the responsibility of the Roads and Stormwater Division of the Municipality's Public Works and Infrastructure Development Department. The Roads and Stormwater Division comprises the following sections:

Infrastructure Planning and Management

Responsible for the planning and management of the roads and stormwater infrastructure of the City of Tshwane Metropolitan Municipality

Infrastructure Provision

Providing a roads and stormwater infrastructure to support and facilitate economic growth.

Infrastructure Maintenance Management

Keep the roads and stormwater infrastructure maintainable and serviceable through proper management systems.

Traffic Engineering and Operations

Responsible for the optimisation of traffic control systems to improve traffic flow and to alleviate traffic congestion and improve safety.

Project Management

Project management of projects

Operational Services

Operational construction and maintenance of road stormwater systems and traffic control systems.

Divisional Support

The rendering of generic support services for human resource management, financial management and generic support services.

To render a management support function in relation to business planning, performance management and monitoring and risk management.

Strategic objectives

The strategic objectives of the Roads and Stormwater Division are to –

- plan for and provide roads and stormwater infrastructure to support and facilitate economic growth and to promote social development;
- keep roads and stormwater infrastructure maintainable and serviceable;
- promote traffic safety;
- optimise traffic control systems to improve traffic flow;
- alleviate traffic congestion; and
- provide the management and support services needed.

The following were the key issues for the 2007/08 financial year:

- Eradication of infrastructure backlogs
- Provide infrastructure for growth
- Maintain existing infrastructure
- Optimise the use of local labour in labour intensive initiatives
- Provide new infrastructure in local economic nodes that meet the growth demands
- Optimise the implementation of contracts through EPWP guidelines and learnerships
- Optimise the use of local vendors
- Optimise the creation of short-term jobs in the execution of construction and maintenance works
- Provide and maintain infrastructure and traffic/pedestrian safety measures that will ensure the safety of our roads environment
- Foster participatory governance and Batho Pele principles through caring, accessible and accountable services
- Ensure good governance by addressing all audit findings
- Apply prudent financial management principles and procedures
- Apply risk management principles that are in line with international best practice, norms and standards
- Apply sound human resource management practices
- Ensure that responsiveness to client needs are effective and on time
- Apply integrated performance management principles and reporting
- Strive for the achievement of employment equity targets
- Maintain, update and implement the divisional workplace skills plans

(b) Analysis of the function

Details	2006/07		2007/08	
Number and cost to employer of all personnel associated with road maintenance and construction:	No	R	No	R
- Professional workers (engineers/consultants)	183	R150 544 000	173	R158 902 680
- Fieldworkers (supervisors/foremen)	212		206	
- Office workers (clerical/administration)	84		78	
- Non-professional workers (blue collar, outside workforce)	463		438	
- Temporary workers	1		5	
- Contract workers	0		0	
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	954	R162 078 953	900	R158 902 680

(c) Statistical Information

Statistical Information	2006/07	2007/08
Total number, kilometres and total value of road projects planned and current:	34	R101,6 M
Upgrading of roads (number)	8	R23,84 M
New collector and access roads (number)	26	R77,76 M
Feasibility studies and/or detailed designs of roads (number)	8	R6,5 M
- New bituminised (km) (Intermediate standard)	26,7	R6,400
- Existing resurfaced (km)	166,8	R35,028
- New gravel (km)	106,8	R16,020
Total kilometres and maintenance cost associated with existing roads provided		
- Tar (km)	5,536	R23,800
- Block pavement (km)	69	
- Concrete and other types of surfaces (km)	18	
- Gravel (km)	2,240	R11,700
- Road markings repainted (in kilometres)	277km	R5,17M
-Traffic signs replaced/ installed (number of signs)	12606	R7,38M
Average frequency and cost of re-tarring, re-sheeting roads		
- Surfaced	1:30 years	R210,000/km
- Gravel	1:20 years	R150,000/km
Note: based on maintenance records		

Statistical Information		2006/07	2007/08
Estimated backlog in number of roads, showing kilometres and capital cost			R (000s)
- From substandard to surfaced roads (km)	2,265	R7,000,000	2 200
- From substandard to gravel roads (km)	1,720 (Length of gravel roads not on 10 year construction programme)	R 300,000	250
Total:	2 759 km (Total backlog determined by ITS in project prioritisation project)	R7,300,000	2 450
Detail			Cost
Note: total number should appear in IDP, and cost in future budgeted road construction programme			
Type and number of grants and subsidies received:	No	R (000s)	No
MIG	10 (budget R58,000,000)	R50,626,000 Spent	10 projects
• Consolidated Municipal Infrastructure Programme	25	R58 million	Nil
• Gauteng Department of Public Transport, Roads and Works (Gautrans)	0 projects		1 project
• South African National Roads Agency	0 projects		Nil
• Public Transport Infrastructure and Systems Fund (PTIF) Conditional Grant from Department of Transport	None		9 Projects
• Public Works Department	1 project		1 Project
• Restructuring Grant Fund	None	R0,7 million	10 Projects
Total operating cost of the road construction and maintenance function (operational teams, depots, vehicles, machinery and equipment of the Operational Services Section)		R 256 million	R211,2 M
Total operating cost of road construction and maintenance function	Total Opex and Capex expenditure	Opex: R421,423 Capex: R251,795 Total R673,218	Total Opex and Capex expenditure
			Opex: R475,571 M Capex: R443,347 M Total R918 918 M

(d) Key performance areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Reduce/ eradicate the backlog for roads	Upgrade roads to reduce backlogs by sealing and construction	Length of roads (km) upgraded to reduce the backlogs (in km)	213,10 km	40,5 km	39,6 km (IDP 1 st revision) 71,1 km (SDBIP)	77,5 km	☺	The approved 5 year target was to reduce the (value of) roads and stormwater backlogs by 14% in 2011. The 213,1 km is the total target for each of the five years from 2006/07 to 2010/11. The backlog as estimated at the start of the 2007/08 financial year was 2357 km (see SDBIP ¹¹¹ 2007/08)
	Build new stormwater systems to eradicate backlogs	Length of open stormwater drainage systems constructed Length of closed stormwater drainage systems constructed	178,7 km Included in the 178,7 km above	15,9 km 23,8 km	30,7 km 58,2 km	53,7 km 36,1 km	☺ ☺	The EIA approval for a number of projects to reduce flooding backlogs took longer than anticipated, with quite a few still outstanding at the end of the financial year.
Build new roads to provide for the growth in the city	Construct new roads	Length of roads (km) provided to manage the growth in the city	70 km	37,5 km	21,8 km	51,7 km	☺	Target achieved

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
		Total length of roads upgraded to manage the growth	Included in the 70 km above	1,3 km	2,2 km	1,6 km	☺	Unexpected delays occurred on the Simon Vermooten Road Project
		Km of class 4 and 5 roads provided in formal (proclaimed) areas per service level agreements to manage the growth	Included in the 70 km	36,2 km	19,6 km	49,5 km	☺	The length of Class 4 road taken over from private developers was not consistently measured during 2007/08. The lengths for 2006/07 and 2007/08 are for all classes of roads taken over from private developers
	Construct new stormwater drainage systems	Length of new stormwater drainage systems provided	28 km	34,6 km	19,7 km	35,0 km	☺	Target exceeded
Continuously repair and maintain existing roads infrastructure		Length of Roads maintained	2 018,1 km	4 240,6 km	2 541,5 km	2 929,7 km	☺	Target exceeded
		Number of bridges rehabilitated and maintained	63	12	14	26	☺	Target exceeded
		Number of traffic signals upgraded and maintained	18 348	3 543	3 860	5 390	☺	Target exceeded

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
		Length of stormwater drainage systems maintained	34,33 km	14,8 km	11,6 km	13,5 km	☺	Target exceeded
		Number of catch pits repaired or cleaned	Not included in the five-year programme - only in the SDBIP	38 526	34 825	37 818	☺	Target exceeded
		R spent on infrastructure maintenance (Opex)	Not Included in the five-year programme –	R93 612 151	R114 356 003	R110 617 090	☺	These are the direct costs for RandM of all RandSW infrastructure
		R spent on operational maintenance	Not Included in the five-year programme - only in the SDBIP	R98 334 624	R85 737 204	R100 582 348	☺	These figures are the internal costs of labour, vehicles, equipment, machinery and materials related to the maintenance operational teams.
Support and develop SMME's and cooperatives	Give preference to local vendors to provide non-specialised service	Percentage of local vendors used for non-specialised services	80%	74,8%	75%	77,2%	☺	The conditions of contracts are stating clearly that all labour to be supplied by the contractor must be local
Support job creation through labour intensive projects and EPWP	Create temporary (short-term jobs) in the implementation of capital projects	The number of jobs created through the Municipality's LED initiatives, including capital projects (NKPI)	3 064	832	1 045	1 385	☺	The City of Tshwane standard is that 1 short-term job = 240 person days

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
		No of contracts implemented through EPWP	269	37, of which 12 were learner- ship contractors	59, of which 24 had to be learner -ship contractors	50, of which 12 were learner -ship contractors	☺	The target for learner- ship contractors are dependent on external funding by the SETA, and could therefore not be reached.
Ensure the safety of our communities, businesses and roads through fostering a culture of respect for the rights of all, the laws that govern us all and a high moral and ethical standard	Increase pedestrian safety	Length of walkways constructed (including cycle tracks)	Not included in the five-year plan – SDBIP indicator	12,6 km	70,2 km	38,8 km	☺	The underachievement in 2007/08 was due to the short time frame allocated for the ward-based project; shortage of concrete material for walkways (lower supply rate than anticipated); an unprotected strike by council employees which caused delays and damages to some of the walkway routes
	Construct road safety devices	Number of speed humps, raised pedestrian crossings and related safety devices provided	Provide 551 speed humps, raised pedestrian crossings and related safety devices by 30 June 2010	277	103	228	☺	Target exceeded

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Respond to customer complaints	Manage response times to customer requests and enquiries	% compliance with turnaround times for service provision to customers	Reaction time of two days due to dangerous road- user situations not included in the five-year programme; five-year programme target is: All service delivery areas to comply with Batho Pele norms and standards	83,8%	85% reaction time of two days due to dangerous road- user situations	95%	😊	
Prudent financial management	Spend capital budget	% of a Municipality's capital budget actually spent on capital projects identified for a particular year as per the IDP (NKPI)	99% by the year 2010/11	85,8%	97%	79,8%	😊	A significant number of stormwater related projects experienced long delays due to the long time it took to obtain EIA approval. Procurement for a number of large projects (eg the Soshanguve project) also took longer than planned.
		Remuneration as a% of the total adjusted operating budget	28% by year five	35,3%	29,6%	33,4%	😊	Target exceeded

KPA	Activities/ Initiatives	KPI	Five-year programme target	Actual 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Skills development	Train employees according to the departmental skills development plan	Number of employees trained	Not included in the five-year programme – only SDBIP	212	No target set in Divisional Business Plan	244	☺	Target exceeded
Performance management	Manage employee grievances	% of employee grievances finalised	Not included in the five-year programme at divisional level	100%	100%	100%	☺	Target exceeded
	Manage employee discipline	No of employees disciplined according to the disciplinary procedure	Not included in the five-year programme at divisional level	10	0	8	☺	Target exceeded
	Cascade scorecards down to all organisational levels	Levels to which individual performance management is cascaded	All	3	4	2	☺	Not all the managers and deputy managers reported in accordance with the scorecards.
Risk management	Reduce controllable insurance claims	Reduce controllable insurance claims by 2% per annum	2% per annum	-34%	-5%	-63%	☺	No scorecard was signed.

(e) Progress with project implementation

KPA	PROJECT NAME	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Provide infrastructure for growth	Contributions: Services for Township Development	710115	1	15,000,000	28,000,000	22,199,567	Tshwane wide
Ensure the safety of our communities, businesses and roads	Replacement of Traffic Signs	710221	1	3,675,000	14,675,000	14,662,323	Tshwane wide
Infrastructure Maintenance	Rehabilitation of Bridges	710223	1	1,575,000	1,575,000	1,487,698	Tshwane wide
Infrastructure Maintenance	Essential and Unforeseen Road Improvements	710226	1	1,200,000	2,700,000	1,426,700	Tshwane wide
Ensure the safety of our communities, businesses and roads	Parking Bays at Schools	710227	1	800,000	800,000	529,627	Tshwane wide
Ensure the safety of our communities, businesses and roads	Cycle and Pedestrian Paths for Tshwane	710228	1	3,000,000	917,125	916,753	Tshwane wide
Ensure the safety of our communities, businesses and roads	Cycle and Pedestrian Paths for Tshwane	710228	3	No data available	2,082,741	2,082,741	Tshwane wide
Ensure the safety of our communities, businesses and roads	Traffic Calming and Pedestrian Safety for Tshwane	710229	1	4,000,000	3,124,625	2,162,761	Tshwane wide
Ensure the safety of our communities, businesses and roads	Traffic Calming and Pedestrian Safety for Tshwane	710229	3	No data available	1,375,375	1,375,375	Tshwane wide
Infrastructure to accelerate economic growth	Establish Road Reserves for Main Routes	710257	1	200,000	200,000	0	Tshwane wide
Infrastructure to accelerate economic growth	Upgrading of Roads in Marabastad	710259	1	No data available	4,650	4,650	3
Infrastructure to accelerate economic growth	Upgrading of Roads in Marabastad	710259	5	4,000,000	4,000,000	3,316,766	3
Ensure the safety of our communities, businesses and roads	Traffic Lights/Traffic Signal System	710395	1	1,500,000	1,500,000	1,262,422	Tshwane wide
Ensure the safety of our communities, businesses and roads	Traffic Signals to Meet Legal Requirements	710398	1	2,500,000	2,500,000	2,280,268	Tshwane wide
Infrastructure maintenance	Extension of Atcon Traffic Control System	710399	1	1,000,000	1,000,000	742,079	Tshwane wide
Infrastructure maintenance	Implement Real Time Traffic Control Pilot Project	710402	1	1,000,000	10,000	No data available	Tshwane wide

KPA	PROJECT NAME	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Eradication of backlogs	Matenteng Main Transport Route, Stinkwater	710597	5	8,500,000	10,100,000	9,139,738	14
Ensure the safety of our communities, businesses and roads	Shova Kalula Bicycle Project	710609	1	300,000	300,000	297,618	51,62,63
Ensure the safety of our communities, businesses and roads	Shova Kalula Bicycle Project	710609	3	700,000	No data available	No data available	51,62,63
Eradication of Backlogs	Major Collector Road: Soshanguve Block DD/CC	710901	1	2,100,000	2,100,000	682,594	26,33
Infrastructure maintenance	Rehabilitation of Roads	710902	1	31,325,000	30,744,925	30,475,632	N East, N West, Rest of Tshwane
Infrastructure maintenance	Rehabilitation of Roads	710902	3	No data available	27,775,425	27,775,425	N East, N West, Rest of Tshwane
Infrastructure for growth	Doubling of Church Street over the Railway Line	710928	1	100,000	400,000	277,463	56
Eradication of backlogs	Real Rover Road to Serapeng Road	710936	1	16,000,000	3,680,671	918,588	18, 4
Eradication of backlogs	Real Rover Road to Serapeng Road	710936	3	No data available	10,869,329	10,869,328	18, 4
Eradication of backlogs	Access Road to Mamelodi X18 (K54)	710937	1	1,100,000	2,000,000	160,417	10
Eradication of backlogs	Access Road to Mamelodi X18 (K54)	710937	5	No data available	No data available	No data available	10
Infrastructure for growth	Doubling of Lynnwood Road	710939	1	35,000,000	8,836,125	8,515,040	40,44,46
Infrastructure for growth	Doubling of Lynnwood Road	710939	3	0 No data available	12,163,875	12,163,875	40,44,46
Infrastructure for growth	Doubling of Simon Vermooten	711800	1	9,000,000	25,000,000	17,517,195	40,41,43
Infrastructure for growth	Doubling of Simon Vermooten	711800	3	10,000,000	No data available	No data available	40,41,43
Eradication of backlogs	Internal Roads: Northern Areas	711863	1	5,453,000	21,653,000	20,815,550	62,6,73,34,19,29,21,13
Eradication of backlogs	Internal Roads: Northern Areas	711863	5	26,105,000	27,905,000	27,902,985	62,6,73,34,19,29,21,13
Eradication of backlogs	Formalise and Align New Access to Odenburg Gardens	712253	1	25,000	25,000	No data available	22
Eradication of backlogs	Formalise and Align New Access to Odenburg Gardens	712253	5	325,000	325,000	No data available	22

KPA	PROJECT NAME	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Ensure the safety of our communities, businesses and roads	Traffic Flow and Safety on Corridors	712501	1	1,500,000	1,500,000	1,378,132	Tshwane wide
Ensure the safety of our communities, businesses and roads	Traffic Flow and Safety on Corridors	712501	3	No data available	200,000	No data available	Tshwane wide
Ensure the safety of our communities, businesses and roads	Traffic Flow Improvement at Intersections	712502	1	2,000,000	2,000,000	1,499,499	Tshwane wide
Eradication of backlogs	Collector Road Backlogs: Mamelodi	712521	1	3,500,000	1,120,000	538,846	6,10,15,16,17,18,23,
28,38,67,Part of 40							
Eradication of backlogs	Collector Road Backlogs: Atteridgeville	712522	1	3,000,000	1,000,000	724,738	Part of 7,51,62,63,68,71,72
Eradication of backlogs	Loftus: Upgrading of Charles Street	712537	3	6,000,000	5,000,000	3,016,996	56
Ensure the safety of our communities, businesses and roads	Hatfield: Upgrading of Pretorius Street	712538	3	7,000,000	5,400,000	616,857	56
Infrastructure to accelerate economic growth	Hatfield: Upgrading of Schoeman Street	712539	3	7,000,000	5,400,000	760,761	56
Infrastructure to accelerate economic growth	Hatfield: Upgrading of Duncan/Gordon Street	712540	3	5,000,000	1,600,000	891,934	56
Infrastructure to accelerate economic growth	Hatfield One-Way System	712541	3	1,000,000	1,600,000	908,560	56
Infrastructure to accelerate economic growth	Upgrading of Maunde	712544	1	2,000,000	No data available	No data available	3,51,62
Infrastructure to accelerate economic growth	Upgrading of Maunde	712544	3	10,000,000	5,200,000	1,537,780	3,51,62
Infrastructure to accelerate economic growth	Giant Stadium: Buitekant Str	712545	1	2,000,000	No data available	No data available	33
Infrastructure to accelerate economic growth	Giant Stadium: Buitekant Str	712545	3	3,000,000	3,000,000	692,095	33
Infrastructure to accelerate economic growth	Wonderboom Airport Access: Lindveldt Avenue	712546	3	10,000,000	7,000,000	1,128,651	50
Infrastructure to accelerate economic growth	Catalytic Project: G9 Western Bypass	712604	1	No data available	No data available	No data available	55,7,3

KPA	PROJECT NAME	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Infrastructure to accelerate economic growth	K69 Between Waterkloof Air Force Base and R21	712547	3	15,000,000	1,300,000	1,050,198	59,42,46
Eradication of backlogs	Upgrading of Roads and Appurtenant Storm-water Systems in Soshanguve	712605	1	43,515,000	11,683,361	6,478,738	11, 12, 25, 26, 27, 29, 33, 34, 35, 36
Eradication of backlogs	Upgrading of Roads and Appurtenant Storm-water Systems in Soshanguve	712605	5	9,900,000	9,900,000	9,899,999	11, 12, 25, 26, 27, 29, 33, 34, 35, 36
Eradication of backlogs	Upgrading of Roads and Appurtenant Storm-water Systems in Soshanguve (RG)	712666	3	90,000,000	26,416,639	26,324,505	11, 12, 25, 26, 27, 29, 33, 34, 35, 36
Infrastructure to accelerate economic growth	Upgrading of Lavender Road (Southern Portion of K97)	712610	1	21,500,000	14,000,000	6,108,400	49,50
Eradication of backlogs	Upgrading of Mabopane Roads (Red Soils)	712611	1	10,000,000	10,000,000	9,754,287	19,20,21
Eradication of backlogs	Upgrading of Sibande Street, Mamelodi	712612	1	500,000	100,000	No data available	6,23
Infrastructure to accelerate economic growth	Counter funding for 2010 Projects	712613	1	16,400,000	8,900,000	7,424,182	3,33,42,46,51,56,59,62
Eradication of backlogs	Ward-Based Project: Roads and Stormwater	712616	1	7,500,000	5,530,000	5,349,995	8,9,12,14,19,20, 21,22,24,30,31,3 2,40 (Nelimagius part),43,48,73,74,75,76
Eradication of backlogs	Essential/Unforeseen Stormwater Drainage Problems	710116	1	5,000,000	7,100,000	6,602,740	Tshwane wide
Eradication of backlogs	Apies River: Canal Upgrading, Pretoria Central	710117	1	550,000	550,000	539,521	Tshwane wide
Eradication of backlogs	S/W Box Culvert Under Railway Line, H/Skraal	710127	1	3,800,000	6,300,000	1,089,238	74
Eradication of backlogs	Concrete Canals: Sam Malema Road, Winterville	710128	1	3,000,000	3,000,000	2,264,170	9
Eradication of backlogs	Major Stormwater System, Mamelodi X 8	710129	1	925,000	925,000	393,890	17
Eradication of backlogs	Stormwater System in Eersterust X 2	710139	1	5,000,000	3,200,000	3,182,803	43
Eradication of backlogs	Major Stormwater Systems: Klip-Kruisfontein	710143	1	4,000,000	5,000,000	3,952,406	37,39
Eradication of backlogs	Rehabilitation of Stormwater Systems and Sidewalks	710220	1	6,000,000	36,000,000	35,678,839	Tshwane wide
Eradication of backlogs	Rehabilitation of Stormwater Systems and Sidewalks	710220	5	10,000,000	10,000,000	9,999,999	Tshwane wide
Eradication of backlogs	Block W - Stormwater Drainage	711164	1	2,700,000	200,000	No data available	25

KPA	PROJECT NAME	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Eradication of backlogs	Block W - Stormwater Drainage	711164	5	3,100,000	6,200,000	4,659,681	25
Eradication of backlogs	Stormwater Drainage Mahube Valley	711213	1	2,000,000	2,000,000	906,699	17
Eradication of backlogs	Stormwater Drainage Mahube Valley	711213	5	1,200,000	2,700,000	2,682,244	17
Eradication of backlogs	Magriet Monamodi Stormwater System	711262	1	3,000,000	3,272,210	2,659,792	73
Eradication of backlogs	Magriet Monamodi Stormwater System	711262	3	0	2,227,790	2,227,790	73
Ensure the safety of our communities, businesses and roads	Major S/Water Drainage System: Cambridge Road	711263	1	1,000,000	3,000,000	2,219,499	66
Eradication of backlogs	Major S/ Water Drainage System: Matenteng	711264	1	5,000,000	5,000,000	611,225	14
Eradication of backlogs	Major S/ Water Drainage System: Matenteng	711264	3	0	No data available	No data available	14
Ensure the safety of our communities, businesses and roads	Hartebeest Spruit: Canal Upgrading	711265	1	100,000	100,000	23,882	42
Ensure the safety of our communities, businesses and roads	Moreleta Spruit: Flood Structure	711267	1	4,000,000	2,200,000	568,001	45, 47
Ensure the safety of our communities, businesses and roads	Montana Spruit: Channel Improvements	711268	1	7,000,000	1,500,000	704,369	5
Ensure the safety of our communities, businesses and roads	Stormwater Box Culvert: Meadow Ave	711269	1	3,500,000	3,500,000	3,141,948	40
Ensure the safety of our communities, businesses and roads	Stormwater Culvert Underneath N1 Freeway	711270	1	4,700,000	3,242,244	1,648,875	64
Ensure the safety of our communities, businesses and roads	Stormwater Culvert Underneath N1 Freeway	711270	3	No data available	1,957,756	1,957,755	64
Ensure the safety of our communities, businesses and roads	Major S/Water Drainage System: Majaneng	711273	1	7,000,000	7,000,000	6,309,788	76
Eradication of backlogs	Major S/Water Drainage System: Majaneng	711273	5	No data available	No data available	No data available	76
Ensure the safety of our communities, businesses and roads	Major S/Water Canal Hennopspark	711275	1	2,000,000	2,000,000	860,387	69
Eradication of backlogs	Major S/Water Drainage Channels: Ga-Rankuwa	711284	5	8,000,000	8,000,000	6,527,984	30,31,32

KPA	PROJECT NAME	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Eradication of backlogs	Stormwater Drainage Systems in Ga-Rankuwa View	711285	5	4,000,000	4,000,000	3,955,596	30
Infrastructure for growth	Olievenhoutbosch Activity Spine	711325	1	6,000,000	6,000,000	5,981,489	64, 65
Infrastructure for growth	Doubling of Simon Vermooten	711800	1	9,000,000	25,000,000	17,517,195	40,41,43
Infrastructure for growth	Doubling of Simon Vermooten	711800	3	10,000,000	No data available	No data available	40,41,43
Eradication of backlogs	Internal Roads: Northern Areas	711863	1	5,453,000	21,653,000	20,815,550	62,6,73,34,19,29,21,13
Eradication of backlogs	Internal Roads: Northern Areas	711863	5	26,105,000	27,905,000	27,902,985	62,6,73,34,19,29,21,13
Infrastructure maintenance	Centurion Lake and Kaal Spruit	712217	1	175,000	175,000	123,648	57,65,69
Eradication of backlogs	Flooding Backlogs: Slinkwater and New Eersterust Area	712219	1	722,000	722,000	No data available	8;13;14
Eradication of backlogs	Flooding Backlogs: Slinkwater and New Eersterust Area	712219	5	4,278,000	1,278,000	70,700	8;13;14
Eradication of backlogs	Flooding Backlogs: Soshanguve and Winterville Area	712220	1	No data available	No data available	No data available	9;11;12,22,24;25;26;27;
29;33;34;35;36;49	Flooding Backlogs: Soshanguve and Winterville Area	712220	5	5,000,000	4,000,000	2,496,135	9;11;12,22,24;25;26;27;
Eradication of backlogs	Flooding Backlogs: Mabopane Area	712221	1	4,000,000	8,036,968	7,617,153	19;20;21;22
Eradication of backlogs	Flooding Backlogs: Mabopane Area	712221	3	No data available	2,463,032	2,463,031	19;20;21;22
Eradication of backlogs	Flooding Backlogs: Mamelodi, Eersterust and Pretoria Eastern Area	712223	1	2,000,000	2,000,000	83,394	6,10,15,16,17,18,
23,28,38, 40,41,43,44,45,46, 47,52,67							
Eradication of backlogs	Flooding Backlog: Network 3, Kudube Unit 11	712503	1	No data available			75
Eradication of backlogs	Flooding Backlog: Network 2F, Kudube Unit 6	712504	1	No data available			75
Eradication of backlogs	Flooding Backlog: Network 5A, Matenteng	712506	1	1,750,000	2,190,000	972,456	75
Eradication of backlogs	Flooding Backlog: Network 2H, Kudube Unit 7	712507	1	1,850,000	1,850,000	956,092	8

KPA	PROJECT NAME	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Eradication of backlogs	Flooding Backlog: Network 1B, Suurman	712508	1	No data available	No data available	No data available	76
Eradication of backlogs	Flooding Backlog: Network 1D, Suurman	712509	1	No data available	No data available	No data available	8
Eradication of backlogs	Flooding Backlog: Network 1E, Suurman	712510	1	No data available	No data available	No data available	8
Eradication of backlogs	Flooding Backlog: Network C5, C6, C11 and C13, Ateridgeville	712511	1	No data available	No data available	No data available	62
Eradication of backlogs	Flooding Backlog: Network 5D, Mandela Village Unit 12	712512	1	2,000,000	2,000,000	501,488	73
Eradication of backlogs	Flooding Backlogs: Soshanguve South and Akasia Area	712513	1	3,400,000	3,400,000	3,392,196	2,4, Part of 20,35,36,37,39
Eradication of backlogs	Flooding Backlogs: Olievenhoutbosch and Centurion Area	712514	1	500,000	500,000	No data available	7, 57, 48, 61, 64, 65, 66, 69, 70
Eradication of backlogs	Flooding Backlog: Network 2B, Ramotse	712515	1	2,500,000	500,000	No data available	73
Eradication of backlogs	Flooding Backlog: Network 2D, New Eersterust X 2	712516	1	2,500,000	2,500,000	No data available	13
Eradication of backlogs	Flooding Backlog: Drainage Canals along Hans Snydom Dr, Mamelodi X 4 and 5	712518	1	2,500,000	2,500,000	No data available	15;16
Eradication of backlogs	Flooding Backlog: Network 1A, 1C and 1E, Ramotse	712520	1	No data available	No data available	No data available	73
Eradication of backlogs	Flooding Backlog: Network 1A, 1C and 1E, Ramotse	712520	5	9,000,000	1,000,000	549,111	73
Eradication of backlogs	Flooding Backlog: Network 3A, Kudube Unit 9	712523	1	3,600,000	1,600,000	363,988	74
Eradication of backlogs	Waterkloof Air force Base SW Canal	712524	3	6,840,000	6,840,000	4,139,617	57, 59

5.4.12 Water

(a) Overview

The national government has set a number of targets for service delivery as part of its programme to improve the lives of its citizens, and in particular the most impoverished communities. These targets include eradication of backlogs for water and sanitation and the elimination of all informal settlements either through upgrading or resettlement in more favourable conditions.

(b) Description of activities and key issues facing service delivery in the period under review

The Water and Sanitation Division has a leading role to play in realising at least three of the main strategic thrusts of the CDS.

It plays as critical a role in the execution of the strategic objectives of the current five-year plan (IDP) which are:

1. Provide quality basic services and infrastructure
2. Accelerate higher and shared economic growth and development
3. Fight poverty, build clean, healthy, safe and sustainable communities
4. Foster participatory democracy and Batho Pele principles
5. Ensure good governance financial viability and optimal institutional transformation to execute its mandate

It is critical to achieve these strategic objectives: it has the sole mandate on the first strategic objective, while making a significant contribution to the economic and social objectives and incorporating the remainder in its modus operandi.

(c) Analysis of the function

Number and cost to employer of all personnel associated with the water distribution function:	2006/07		2007/08	
	No	R(000's)	No	R (000s)
- Professional (engineers/consultants)	22		79	156,478,280
- Fieldworkers (supervisors/foremen)	17		168	
- Office workers (clerical/administration)	15		51	
- Non-professional workers (blue collar, outside workforce)	274		501	
- Temporary workers (Opex)	4		153	<cost>
- Contract workers (Capex)	3		5	3,079,039
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.	335		957	159,557,319

(d) Statistical Information

Statistical information:	2006/07		2007/08	
Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer	Mega litre per day	R per Mega litre	Mega litre per day	R per Mega litre
Total for all sources	771,84	R 2,94 per kl	No data available	No data available
- Category 1, Rand Water (Mega litre per day)	574,314	R 2,940	495,64 MI /d	R3,069
- Category 2, Magalies Water	9,53	R3,000	See Temba and Roodeplaat	
- Category 3, Rietvlei (internal source)	39	R 1,050	36,95 MI /d	R0,48
- Category 4, Fountains and boreholes (internal source)			61,02 MI /d	R0,48
- Category 5, Temba (internal source)	47,39	R 2,936	47,33 MI /d	R3,069
- Category 6, Roodeplaat (internal source)	49,8	R 2,936	44,8 MI /d	R3,069
Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:	No	R(000's)	No	R (000s)
All categories	197 692	R 1 047,000	685,74 MI /d	R1 850 891,73/ day
Total year-to-date water losses in kilolitres and rand	No	R(000's)	No	R (000s)
27,6% water losses of total volume supplied, ie 735,51 Mega litre per day (April 2008)	214,57 Mega litre per day	R1,700	203,18 Mega litre per day	R1,758
Number of households with water service, and type and cost of service:	No	R(000's)	No	R (000s)
- Piped water inside dwelling	396,419	<cost>	15,863	R613,360
- Piped water inside yard	<total>	<cost>	No data available	No data available
- Piped water on community stand: distance < 200 m from dwelling (including informal settlements)	109,206	<cost>	No data available	No data available
- Piped water on community stand: distance > 200 m from dwelling	55 968 (including informal areas)	<cost>	No data available	No data available
Note: if other types of services are available, please provide details				
Number and cost of new connections:	No	R(000's)	No	R (000s)
TOTAL	5,550	R12,000	6 186	R12,000
Number and cost of disconnections and reconnections:	No	R(000's)	No	R (000s)
Restricted supply	62,806	R17,800	74,910	R22 105
Reconnections	24,514		29,426	
Number and total value of water projects planned and current:	No	R(000's)	No	R (000s)

Statistical information:	2006/07		2007/08	
Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer	Mega litre per day	R per Mega litre	Mega litre per day	R per Mega litre
- Current (financial year after year reported on) (2007/08)	35	R335,000	49	331 235
- Planned (future years) (2008/09)	24	R284,000	58	472 120
Note: provide total project and project value as per initial or revised budget			66	487 295
Anticipated expansion of water service:	No	R(000's)	No	R (000s)
- Piped water inside dwelling	80,000	R30,000	No data available	No data available
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the Municipality			No data available	No data available
Estimated backlog in number (and cost to provide) water connection:	No	R(000's)	No	R (000s)
- Piped water inside dwelling	20 263	R263 000	15,863	R613,360
-Piped water inside yard	No data available	No data available	No data available	No data available
-Piped water on community stand, distance < 200 m from dwelling	No data available	No data available	No data available	No data available
TOTAL	20 263 ¹¹²		15,863	R613,360
Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	No	R(000's)	No	R (000s)
Free basic service (FBS) provision:	No	R(000's)	No	R (000s)
- Quantity (number of households affected)	391,227	R138,800	34,656	R21,504
- Quantum (value to each household) 6 kiloliter per month at R2,936 per kiloliter	6 kl	R172,12	6 kl	R3,50
Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of free basic services provided.			34,656	R365
Type and number of grants and subsidies received:	No	R(000's)	No	R (000s)
Provincial grants	4	R 25,000	6	25 800
MIG	14	R79,200	20	79 200
Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year	No	R(000's)	No	R (000s)

¹¹² The Water backlog was estimated at 28 869 per reviewed IDP 2006-2011 but is now estimated at 20 263 as per information provided by the Department of Public Works and Infrastructure for the analysis of backlogs, see Chapter 2 of this report

CHAPTER FIVE: Functional Statistics Analysis

Statistical information:	2006/07		2007/08	
Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer	Mega litre per day	R per Mega litre	Mega litre per day	R per Mega litre
Total repairs and maintenance: (WandS) (including municipal entities)	R97,8 million		R197,725,458	
- Total income (WandS) (including municipal entities)	R1 456 million		-R1,770,510,228	
- Total expenditure (WandS) (including municipal entities)	R1 253 million		R1,368,345,918	
- Surplus (WandS) (including municipal entities)	R211 million		-R403,302,704	
Total operating cost (WandS): (excluding municipal entities)	R97,800		R1,368,345,918	

(e) Key performance areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Provide a continuous sustainable water supply to meet the growing demand	Bulk-water networks	Length of bulk-water pipelines installed (m) to support growing demand (new)	Annual targets: 2006/07: 2 500 2007/08: 17 860 2008/09: 10 070 2009/10: 3 180 2010/11: 3 300 2011/12: 1 600	2 500 m	17 860 m	9 135 m	☹	Variance and delays due to: • Delivery of pipes • Dispute amongst Joint Venture Contractors • Legal and tender processes • Natural causes, high ground water levels, flooding, excessive rocks, tree roots, poor soil conditions, etc. Variance on targets will be installed in the next financial years.
	Internal networks	Length of internal water network pipelines installed (m) (new)	Annual targets: 2006/07: 5 762 2007/08: 16 500 2008/09: 35 800 2009/10: 10 200 2010/11: 5 500 2011/12: 9 780	5 762 m	16 500 m	30 024 m	☹	Target exceeded.
	Water purchases	ML/d of water purchased from external providers	705 ML /d	705 ML /d	720 ML /d	618 ML /d	☹	The water consumption target is based on estimates for a normal year. When the ML purchased is less than projected it could actually be a positive sign. This figure is indicative of an average usage of 9kl per capita per month, purchased from external providers.

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Water from own sources	ML /d of water from own sources: (Rietvlei, boreholes and fountains)	Own sources are already used 100%	95 ML /d	95 ML /d	99,08 ML /d	☺	Own sources are already 100% used. Severe droughts can influence the production from Rietvlei and dolomite fountains. No corrective actions can be taken – weather related. Average usage of water per capita per month is about 10.4kl of which the city can only provide 13, 5% from own sources.
	Manage private applications	Number of private applications provided with water connections per year (residential, business or industrial connections)	5 000	5 480	5 480	5 488	☺	Only estimates can be made on the target according to figures from previous years. Private applications cannot be controlled by this Division, based on application rate from private applicants.
	Increase reservoir capacity to support demand growth	ML reservoir capacity increased to support growing demand	Annual targets: 2006/07: 30 ML 2007/08: 0 ML 2008/09: 18 ML 2009/10: 51 ML 2010/11: 65 ML 2011/12: 50 ML	1 651 ML	0 ML	0 ML	☺	Project pre-planning and no actual construction. Capacity increase of 18 ML planned for 2008/09.
Eradicate the backlog in formal areas (proclaimed areas) with access to at least a basic level of water service	Connections	No of households with a below basic level of service provided with at least a basic level of water service	2006/07: 942 2007/08: 5 624 2008/09: 16 813	942	5 624	11 168	☺	Target exceeded.
Maintain water provision infrastructure	Water purification	ML/d water purified	36 ML /d	Rietvlei 41,90 ML/d Temba 47,03 ML/d Roodeplaat 50,15 ML/d	36 ML /d	35,88 ML /d	☺	Dependant on demand

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Repairs and Maintenance budget	Water repairs and maintenance to TOI (total operating income for water)	A minimum of 14% per annum	13,21%	10,42%	11,31%	☺	Monthly/quarterly performance dependant on various factors. Done as and when required. A minimum of 14% per annum is required to ensure networks are kept in good condition.
		R spent on operational maintenance (Opex)	na	R151 376 368	R145 811 311	R151 395 815	☹	Monthly/quarterly performance dependant on various factors. Done as and when required.
	Maintain (upgrade) bulk water pipelines	Metre bulk water pipelines upgraded (capital)	Annual targets: 2006/07: 2 035 2007/08: 16 500 2008/09: 12 063 2009/10: 3 628 2010/11: 150 2011/12: 0	2 035 m	22 593 m	6 319 m	☺	Variance and delays due to: • Delivery of pipes • Dispute amongst Joint Venture Contractors • Legal and tender processes • Natural causes, high ground water levels, flooding, excessive rocks, tree roots, poor soil conditions, etc. • Variance on targets will be installed in the next financial years
	Maintain (upgrade) infrastructure	R spent on infrastructure (upgrade and replace)	R564 540 000	R109 822 000	R254 040 000	R246 984 206	☺	Monthly/quarterly performance dependant on various factors. Project implementation as per Project Management and Control (PMandC) process to achievement of the annual targets
		Metre bulk water pipelines replaced (capital)	Annual targets: 2006/07: 0 2007/08: 3 000 2008/09: 5 600 2009/10: 0 2010/11: 5000 2011/12: 0	0 m	3 000 m	3 790 m	☹	Target exceeded.

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Internal water network pipelines (m) upgraded (capital)	Metre internal network pipelines upgraded (capital)	Annual targets: 2006/07: 72 457 2007/08: 338 502 2008/09: 242 503 2009/10: 216 900 2010/11: 98 520 2011/12: 115 380	72 457 m	338 502 m	287 362 m	☺	Variance and delays due to: • Delivery of pipes • Dispute amongst Joint Venture Contractors • Legal and tender processes • Natural causes, high ground water levels, flooding, excessive rocks, tree roots, poor soil conditions, etc. • Variance on targets will be installed in the next financial years.
Support job creation through labour intensive projects and EPWP	EPWP contracts	No of contracts implemented through EPWP	50	na	25	21	☺	General conditions of contract requirements according to the City of Tshwane EPWP policy.
	Give preference to local vendors to provide non-specialised services	Percentage of local vendors used for non-specialised services	100%		60%	70%	☺	Target achieved
Entrench a customer-focused approach to citizenry and business by setting standards that we achieve guided by the Batho Pele principles	Comply with minimum water services standards as required by the Department of Water Affairs	Water quality to SANS 241 and number of tests performed	6 000 tests/month	1 900 tests/month	1 900 tests/month	5825 tests/month (99,65%)	☺	Higher number of tests now being done due to new instrumentation acquired which is able to monitor more parameters and at a faster rate. Increased monitoring on raw water sources due to increasing pollution. Started monitoring of Temba WTW. No E.Coli failures for June 08.
	Manage response times to customer requests and enquiries	No of customer complaints received per function	No annual target. Complaints are attended to as and when received			Water: Received: 7994 Completed: 8052	☺	Severe pipe breakages on large diameter pipes can take more than 48 hours to repair. Appropriate materials and skilled staff should be available to shorten the repair time on large water leaks.
Sound HR management	Train employees according to the departmental skills development plan	No of employees trained	na	393	109	212	☺	Target achieved

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
		% of operational budget spent on implementing the workplace skills plan	0,002%	R488 275	R396 242	R362 927	☺	92% budgeted for workplace skills plan was spent.
	Manage employee grievances	% of employee grievances finalised	100%	100%	50%	100%	☺	The division does not have control over the occurrence of grievances related to unsatisfactory working conditions according officials.
	Cascade scorecards down to all organisational levels	Levels to which individual performance management is cascaded	5	5	5	5	☺	
	Implement and ensure EE	The number of people from the employment equity target groups employed in the three highest levels of management in compliance with the Municipality's approved employment equity plan, short-term employment, and long-term employment. (NKPI)	n/a	4	5	0	☹	Moratorium placed on appointment of levels 5 and 4 due to the finalisation of the ASD process.
Risk management	Reduce controllable insurance claims	Reduce controllable insurance claims by 2% per annum	n/a	43 claims		105 – increased with 36%	☹	An increase of 36% on all insurance claims in comparison with 2006/07 financial year.
		% compliance with principles of Gap analysis by departments	n/a	40%	40%	40%	☺	Target achieved

(f) Progress with project implementation

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Eradicate the backlog	Township water services development: Tshwane contributions	710022	1	4,000,000	8,660,000	7,863,002	City wide
Provide a continuous sustainable water supply to meet the growing demand	Lengthening of network and supply pipelines	710023	1	3,500,000	3,500,000	3,492,931	7, 27, 36, 42, 48, 59, 65, 66, 66, 101, 101, 101, 101
Provide a continuous sustainable water supply to meet the growing demand	Upgrading of networks where difficulties exist (Master Plan items)	710024	1	1,300,000	1,300,000	1,298,684	2, 3, 7, 41, 42, 42, 46, 52, 55, 56, 56, 56, 59, 66, 101, 101, 101, 101, 101
Implement job creation initiatives	Water supply to agricultural holdings	710025	1	1,500,000	3,840,000	3,836,775	7, 7, 7, 49, 55, 101, 101, 101
Maintain water provision infrastructure							
	Replacement of worn-out network pipes	710026	1	19,000,000	23,058,000	22,058,697	1, 1, 1, 3, 3, 3, 3, 5, 6, 7, 34, 36, 40, 41, 41, 42, 42, 45, 45, 46, 46, 49, 52, 52, 52, 55, 55, 56, 56, 56, 56, 57, 59, 59, 60, 60, 68, 101, 101, 101, 101
Maintain water provision infrastructure	Water network upgrading in Hatfield	710031	1	2,000,000	2,000,000	1,995,401	56, 56, 56, 56, 56, 56, 56, 58
Maintain water provision infrastructure	Cathodic survey of main pipelines	710039	1	1,000,000	350,000	173,782	3, 6, 28, 38, 38, 40, 43, 50, 58, 59, 60, 65, 67, 67, 101

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Provide a continuous sustainable water supply to meet the growing demand	Installation of bulk meters and loggers at reservoirs	710054	1	100,000	100,000	98,722	4, 4, 6, 6, 26, 34, 35, 36, 36, 37, 41, 43, 46, 48, 52, 54, 55, 56, 57, 57, 59, 60, 64, 65, 65, 65, 67, 67, 69, 70
Maintain water provision infrastructure	Upgrading of pump stations	710307	1	400,000	400,000	400,000	45, 47, 47, 47, 59, 59, 59, 65
Maintain water provision infrastructure	Soshanguve bulk pipeline replacement	710308	5	700,000	2,700,000	2,700,000	19, 20, 26, 29, 33, 35
Maintain water provision infrastructure	Soshanguve bulk pipeline replacement	710308	1	45,300,000	36,050,000	35,961,553	19, 20, 26, 29, 33, 35
Eradicate the backlog	Hammanskraal West bulk water pipeline	710383	5	6,000,000	6,000,000	5,999,999	74
Provide a continuous sustainable water supply to meet the growing demand	Hammanskraal West bulk water pipeline	710383	1	7,300,000	6,154,500	5,042,903	74
Maintain water provision infrastructure	Upgrading water networks: Greater Temba	710390	5	10,000,000	10,600,000	10,599,997	8, 76
Eradicate the backlog	Upgrading water networks: Greater Temba	710390	1	18,120,000	13,588,850	13,588,844	8, 76
Maintain water provision infrastructure							
Maintain water provision infrastructure	Mabopane/Winterveld water network refurbishment	710391	5	4,000,000	5,020,386	5,020,384	20, 21
Maintain water provision infrastructure	Mabopane/Winterveld water network refurbishment	710391	1	1,000,000	6,000,000	1,820,683	20, 21

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Maintain water provision infrastructure	Ga-Rankuwa water networks refurbishment	710392	5	1,000,000	1,000,000	999,998	32
Maintain water provision infrastructure	Ga-Rankuwa water networks refurbishment	710392	1	4,100,000	4,100,000	3,228,114	32
Provide a continuous sustainable water supply to meet the growing demand	Telemetry of reservoirs	710555	1	500,000	345,000	342,013	4, 4, 5, 6, 26, 36, 37, 37, 43, 47, 47, 55, 61, 61, 61, 64, 66, 67, 67, 69
Eradicate the backlog	Refurbishment of water networks and backlog eradication	710878	1	11,950,000	509,000	504,915	73, 74
Eradicate the backlog	Refurbishment of water networks and backlog eradication	710878	5	6,500,000	7,320,614	6,874,146	
Eradicate the backlog	Refurbishment of water networks and backlog eradication	710878	3	22,000,000	22,000,000	20,540,176	
Maintain water provision infrastructure	Mamelodi R5 Link to Garsfontein - Phase 4	711328	5	7,000,000	7,000,000	6,751,820	10, 17, 40
Maintain water provision infrastructure	Mamelodi R5 Link to Garsfontein - Phase 4	711328	1	15,700,000	17,260,000	15,005,390	10, 17, 40
Eradicate the backlog	Pipe reinforcement Klipgat, Mapopane and Winterveld reservoir	711331	3	3,000,000	3,000,000	3,000,000	9, 12, 24
Eradicate the backlog	Pipe reinforcement Klipgat, Mapopane and Winterveld reservoir	711331	1	5,850,000	1,780,000	1,780,000	9, 12, 24
Eradicate the backlog	Klip/Klipkruisfontein Phase 3 Bulk Water Supply reservoir	711332	5	10,400,000	4,400,000	1,112,805	37, 39

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Eradicate the backlog	Klip/Klipkruisfontein Phase 3 Bulk Water Supply rReservoir	711332	1	6,000,000			37, 39
Provide a continuous sustainable water supply to meet the growing demand	Winterveld supply pipeline	711333	1		46,000		9
Maintain water provision infrastructure	Replacement and upgrading of deficient bulk pipeline	711335	1	23,620,000	25,086,680	21,753,403	41, 45, 46, 47, 53, 54, 58, 59, 60, 65, 69
Provide a continuous sustainable water supply to meet the growing demand	Extension, Klapperkop main outflow	711338	5	3,000,000	3,000,000	2,999,997	56, 58, 59
Provide a continuous sustainable water supply to meet the growing demand	Extension, Klapperkop main outflow	711338	1	16,910,000	19,605,000	19,604,731	56, 58, 59
Maintain water provision infrastructure	Klapperkop Muckleneuk pipe link	711339	1	6,145,000	11,245,000	11,244,683	1, 58, 60
Provide a continuous sustainable water supply to meet the growing demand	Klapperkop Heights pipe reinforcement	711340	5	6,400,000	6,400,000	6,399,998	57, 59
Provide a continuous sustainable water supply to meet the growing demand	Klapperkop Heights pipe reinforcement	711340	1	6,950,000	11,750,000	11,749,999	57, 59

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Provide a continuous sustainable water supply to meet the growing demand	Upgrade Laudium/Erasmia bulk system	711342	1	3,000,000	2,400,000	2,389,139	61
Provide a continuous sustainable water supply to meet the growing demand	Monument Park reservoir extension	711343	1	500,000	350,000	342,384	65
Provide a continuous sustainable water supply to meet the growing demand	Valhalla reservoir extension	711344	1	2,000,000		No data available	66
Maintain water provision infrastructure	Garsfontein pipe reinforcement	711345	1	2,500,000	1,000,000	997,719	5, 6, 28, 38, 40, 41, 42, 43, 44, 45, 46, 47, 52, 53, 54, 56, 67
Maintain water provision infrastructure	Replacement heights: Hercules bulk main system	711347	1	100,000	100,000	99,959	1, 3, 59
Eradicate the backlog	Temba Water purification plant	711348	1	200,000			8, 14, 73, 74, 75, 76
Maintain water provision infrastructure	Water connections: Soshanguve new pipes	711410	1	2,000,000	2,000,000	1,656,503	11, 11, 11, 11, 11, 11, 26, 27, 33, 34, 36
Eradicate the backlog	Water networks: Ramotse/Morokolong	711533	5	4,400,000	4,400,000	4,399,999	73
Eradicate the backlog	Water networks: Ramotse/Morokolong	711533	1	30,400,000	33,400,000	33,399,996	73
Maintain water provision infrastructure	Reduction water losses: water networks	711542	1	2,000,000	2,000,000	1,999,981	City wide
Maintain water provision infrastructure	Relocation: Water meters and network refurbishment, Mabopane/Ga-Rankuwa	711895	1	1,100,000	1,100,000	500,318	31

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Implement job creation initiatives	Purification plant upgrade (Rietvlei)	711921	1	2,850,000	2,850,000	2,845,305	2, 5, 49, 50, 42, 45, 46, 47
Maintain water provision infrastructure	Construction of new water depots	712124	1	500,000	500,000		2, 4, 11, 12, 25, 26, 27, 29, 32, 33, 34, 35, 36, 37, 39
Eradicate the backlog	Sekampaneng reservoir	712129	5	800,000	200,000	200,000	8, 74
Maintain water provision infrastructure	BLK - individual residents - Clifton/Dormisse	712133	1	200,000	350,000	349,987	46
Provide a continuous sustainable water supply to meet the growing demand	BLK - individual residents - Heuweloord	712135	1	3,000,000	2,000,000	1,999,979	48, 70
Maintain water provision infrastructure	BLK - individual residents - Waterkloof Ridge X 2	712141	1	500,000	500,000	355,329	42
Eradicate the backlog	BLK plus reservoir - Babelegi	712142	3		800,000	799,982	73, 74, 75
Maintain water provision infrastructure	Rietvlei Dam repairs/safety	712145	1	500,000	500,000	499,979	47
Provide a continuous sustainable water supply to meet the growing demand	Upgrading of pump station	712147	1	2,455,000	3,457,684	3,111,135	42, 42, 45, 45, 65, 65, 69, 69, 101, 101, 101
Provide a continuous sustainable water supply to meet the growing demand	BLK - individual residents - Pierre van Ryneveld	712150	1	500,000	2,726,316	2,654,600	47, 65

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Maintain water provision infrastructure	Network upgrading in the Centurion area	712527	1	1,000,000	1,000,000	999,206	48, 57, 61, 64, 65, 66, 69, 70
Maintain water provision infrastructure	Network upgrading in the Moot area	712528	1	1,000,000	1,000,000	999,641	52, 52, 52, 53, 53, 53
Provide a continuous sustainable water supply to meet the growing demand	Reservoir extensions	712534	1	900,000	1,400,000	1,396,267	38, 40, 41, 43, 44, 45, 46, 47, 50, 65, 67
Maintain water provision infrastructure	Network upgrade in the Rosslyn area	712594	1	1,000,000	1,000,000	999,620	4
Maintain water provision infrastructure	Network upgrade in the CBD and Pretoria West	712596	1	2,000,000	2,000,000	1,997,777	3, 3, 3, 59, 60, 60, 60
Eradicate the backlog	Ward-based project: water and sanitation	712618	1	7,500,000	3,750,000	3,749,999	City wide

5.4.13 Electricity

Distribution

(a) Overview and description of key issues

The electricity supply and distribution functions of the Municipality include the provision of electricity and other alternative energy to the residents of Tshwane and other areas in terms of the National Energy Regulator of SA (NERSA) license of supply.

These services extend to include all areas in terms of the NERSA license of supply for the Tshwane Energy and Electricity Division, but do not take account of ESKOM areas of supply within the city boundaries in terms of the NERSA license of supply for ESKOM which resides within the jurisdiction of ESKOM. The Municipality has a mandate to generate electricity, develop the energy business, distribute electricity to end-users and operate and maintain the networks.

Energy and E

lectricity became a division of the Public Works and Infrastructure Development Department with effect from 1 July 2007. Energy and Electricity is therefore one of four divisions of Public Works.

Strategic objectives

The strategic objectives of the Energy and Electricity function are to -

- provide access to electricity to all residing within the city's boundaries;
- implement infrastructure investment programmes that address new needs;
- provide integrated maintenance for all infrastructure;
- target procurement programmes that supports BBBEE and local economic empowerment;
- provide a free basic energy and social support package for the indigent;
- consolidate the consumer base and support maximum revenue collection; and
- develop the department's human capital through training, consultation with employee/representatives, participation and implementing programmes that promote equity and gender representation.

Key Issues

The key issues for 2008/09 are:

- The eradication of infrastructure backlogs by 2012 by providing electricity connections to end-users
- Maintaining the current electricity generation and distribution infrastructure to ensure reliable and continued supply (limiting the number of outages)
- Promoting the usage of electricity by the general public, businesses, and industry

(b) Analysis of the function

Statistical information	2006/07		2007/08	
Number and cost to employer of all personnel associated with the electricity distribution function:	No	R (000s)	No	R (000s)
- Professional workers (engineers/consultants)	184	378 386	188	409 842
- Fieldworkers (supervisors/foremen)	172		212	
- Office workers (clerical/administration)	71		147	
- Non-professional (blue collar, outside workforce)	1,338		1256	
- Temporary workers	<total>	<cost>	-	-
- Contract workers	<total>	<cost>	796	67 950
TOTAL	1 879	378 386	2 603	477 792
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.				
Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer	No	R (000s)	No	R (000s)
- Residential	3,853,927,548	R 708,916	3 926 524 059	717 539
- Commercial	1,288,041,432	R 208,118	1 508 164 439	275 604
- Industrial	4,520,055,798	R 540,029	4 364 195 347	797 520
- Other	<volume>	<cost>	<volume>	<cost>
TOTAL	9 662 GWh	1 701 012 487	9 799 GWh	1 791 663
Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:				
- Household	3 415,2 GWh	1 132 993 125	3 602 550 848	1 447 068
- Commercial	1 343,4 GWh	451 572 058	1 383 727 439	470 173
- Industrial	3 927,5 GWh	1 012 181 241	4 004 110 356	1 092 287
- Other (smallholdings)	<volume>	<cost>	108 421 769	DATA NOT AVAILABLE
TOTAL	8 854,3 GWh	2 664 517 714	9 098.8 GWh	3 009 528
Total year-to-date electricity losses in kilowatt -hours and rand	No	R (000s)	No	R (000s)
TOTAL	807,6 GWh	142 194 116 Cost of losses	659 GWh	120 395
Number of households with electricity access, and type and cost of service:				
Detail	No	R (000s)	Total No	R(000's)
- Electrified areas				
- Municipal	361 898 Including bulk residential connections	<cost>	380 863	
- ESKOM	47,964	DATA NOT AVAILABLE	86 240	
- Alternate energy source	City does not provide alternate energy			

Statistical information	2006/07		2007/08	
Number and cost to employer of all personnel associated with the electricity distribution function:	No	R (000s)	No	R (000s)
- Gas	Not available	Not available	Not available	Not available
- Paraffin	Not available	Not available	Not available	Not available
- Solar	Not available	Not available	Not available	Not available
- Wood	Not available	Not available	Not available	Not available
- Non electrified	Not available	Not available	Not available	Not available
Note: if other types of services are available, please provide details				
Number and cost of new connections:	No	R (000s)	No	R (000s)
Number and cost of new connections (private developments)	3 839	R 23,400	6 375	25 814
Total (all developments)	8,623	R 22,662	6 375	25 814
Number and cost of disconnections and reconnections	196 415	R32 928 Including the 328 280 Final Demands delivered and the 51 101 illegal connection inspection done	451874 Includes Final Demand notices delivered	R12,723,
Total	196,415	R32 928	451,874	R12,723,
Number and total value of electrification projects planned and current:		R (000s)		R (000s)
- Current (financial year after year reported on) (2007/08)	32	R 368,335	32	R 421 985
- Planned (future years) (2008/09)	27	R 409,651	27	R 442 790
Note: provide total project and project value as per initial or revised budget				
Anticipated expansion of electricity service:	No	R (000s)	No	R (000s)
Total	12 000	R63 600	16 402	R150 300
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the Municipality				
Estimated backlog in number (and cost to provide electricity connections):				R (000s)
Total	136,000 ¹¹³ 12 000	R680,000 R63 600	16 402	R150 300
Note: total number should appear in IDP, and cost in future budgeted capital housing programmes				
Free basic service (FSB) provision:	No	R (000s)	No	R (000s)
- Quantity (number of households affected)	394 168	89 371 721	About 70 000 customers including Eskom areas	Value not available as yet

¹¹³ This backlog refers to the Housing backlog

CHAPTER FIVE: Functional Statistics Analysis

Statistical information	2006/07		2007/08	
Number and cost to employer of all personnel associated with the electricity distribution function:	No	R (000s)	No	R (000s)
- Quantum (value to each household)	50 kWh per month	R20,48	100 kWh for indigent consumers and 50 kWh for customers consuming less than 200kWh / month	R 43.43 (Indigent) R71.72 (customers consuming less than 200 kWh/month)
Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of free basic services provided.	100 kWh per month provided only to registered indigents.			
Type and number of grants and subsidies received:	No	R (000s)	No	R (000s)
MIG		8 065 houses to be electrified R 25,000		R11 500
DME		11 500 houses to be electrified R 28,600	11 250	R45 000
Note: Total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year				
Total operating cost of electricity distribution function		R2,486,429	Data not available	R2,646,710

(c) Key Performance Areas

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Eradication/reduction of infrastructure backlogs	Residential connections	Number of completed and occupied houses electrified	Electrify 112 000 of 136000 houses by 2011 ¹¹⁴	11 131	12 000	11 250	☹	No sufficient houses available to be connected. Led by Housing dept. The shortfall has been recurring every year hence this matter will be referred to DME to approve the electrification of informal settlement
	Connections in Winterville and Eskom areas	Number of completed and occupied houses in Winterville areas electrified		13 110	7 200	5 152	☹	"Same as above"
Provide quality infrastructure for growth	Provide bulk infrastructure to support connections made by private developers	Number of new connections (private developments)	Provide 11 131 new electricity infrastructure developments as per projected annual growth	6 305 3 839 – new connections by private developers	2 333	6 375	☹	Demand driven. Target exceeded
		Km of 11 kV overhead lines added to the network			37 km	31 km	☹	Network driven. Proper network focusing will done in future
		Km of 11 kV underground cables added to the network			39 km	40,2km	☹	Target achieved

¹¹⁴ This includes houses electrified by other partners through service level agreements

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
	Provide households in informal areas (unproclaimed areas) (non-electrified) with access to alternative forms of basic energy	Number of non-electrified households supplied with free alternative energy equivalent to 50 kw monthly per type	At least 1% of households using non-conventional energy per type by 2011		20 000	18 619	☺	Reason for not achieving the 20,000: Some customers refuse to accept the LP Gas packages hence they were not registered. This project has been discontinued by DME pending the formulating of by-laws to govern the installation of alternative energy
Provide quality infrastructure for growth		Number of non-electrified households supplied with free alternative energy (LP gas) equivalent to 50 kw monthly by the DME			70	70	☺	The Division does not have budget for alternative energy. The Division will wait for the approval of application of funds before publishing the target
Provide quality infrastructure for growth	Change at least 6 000 residences to prepaid meters	No of residences changed to prepaid meters		4 681	1 000	2 651	☺	Target exceeded due to more applications received. KPI is application driven.
	Provide public lighting	No of Informal areas(unproclaimed areas) with access to public lighting (ie street lights and high mast lights)			2	3	☺	
Ensure maintenance of existing infrastructure		R spent on operational maintenance	Expenditure on infrastructure maintenance is in line with national norms and standards by 2011	197 332 000	220 023 237	251 213 117	☺	Serious needs for maintenance. The Division will request more funds from Finance Department

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Ensure maintenance of existing infrastructure		R spent on infrastructure upgrade (ie increasing the life of an asset) (capital)			R53,6m	R52,9m	☺	On target
		Repairs and maintenance to TOI (total operating income) for electricity services	14%	7%	7%	8.2%	☺	
Ensure maintenance of existing infrastructure	Ensure optimal resource utilisation (unaccounted electricity)	Reduce unaccounted for electricity in line with internationally accepted benchmarks		8,36%	9%	9,5%	☺	The Division has started to install meters on public lighting network to reduce the unaccounted losses
Regeneration and development of potentially viable economic nodes focusing on the inner city and targeted areas based on efficient land use	Implement contracts through EPWP		Implement 269 contracts ¹¹⁵ through the EPWP		8	8	☺	Target achieved
Increase participation and broaden the contribution in growing the city's economy through the development of SMME's, cooperatives, the informal sector and the role of black people, women and youth	Give preference to local vendors to provide non-specialised service	Percentage of local vendors used for non-specialised services	80%		40%	65%	☺	Target achieved

¹¹⁵ This target includes all functions that implement the Expanded Public Works Programme (EPWP)

KPA	Activities/ Initiatives	KPI	Five-year programme target	Achieved 2006/07	Target 2007/08	Actual 2007/08	Rating	Comments/ Corrective Actions
Entrench a customer-focused approach to citizenry and business by setting standards that we achieve guided by the Batho Pele principles	Respond and manage customer complaints on electricity	Number of customer complaints regarding electricity services			No target set the goal is to respond to all complaints	7 437	☺	Dependant on outages happening. Load shedding had an impact.
Sound human resource management	Skills development	Number of employees trained	Corporate services to improve organisational skills capacity by 5% pa			4 723	☺	No actual no. of courses set in advance. Some arranged as and when they are available.
	Manage employee grievances	% of employee grievances finalised			100%	100%	☺	All step 2 grievances finalised
	Employee discipline	No of employees disciplined according to the disciplinary procedure				9 at DC level. None at divisional level	☺	We intend to finalise all cases as they are reported on Divisional level. Tribunal cases to be finalised by Legal Services
Sound human resource management	Cascade scorecards down to all organisational levels	Levels to which individual performance management is cascaded	Corporate target to cascade to level 5 as per the 0607 IDP		4	4	☺	Target achieved
	Implement and ensure EE	The number of people from the employment equity target groups employed in the three highest levels of management in compliance with the Municipality's approved employment equity plan, short-term employment, and long-term employment. (NKPI)	Corporate target: 90% representation by 2011 across the organisation		1	1	☺	Target achieved

d) Progress with project implementation

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Ensure maintenance of existing infrastructure	Upgrading/ Strengthening of Existing Network Schemes	710005	1	6,000,000	0	4,386,590.90	Tshwane wide
Provide quality infrastructure for growth	Payments to Townships for Reticulated Towns	710006	1	5,000,000	0	5,775,101.80	Tshwane wide
Eradication/Reduction of infrastructure back-logs	Ntjale Infeed Station Stage II Extension	710156	1	13,500,000	0	13,002,646.32	47, Tshwane wide
Eradication/Reduction of infrastructure back-logs	Sub-Transmission System Equipment Refurbishment	710163	1	6,000,000	0	5,993,486.97	Tshwane wide
Eradication/Reduction of infrastructure back-logs	11 kV Panel Extension in Substations	710164	1	5,500,000	0	5,492,466.11	Tshwane wide
Ensure maintenance of existing infrastructure	Greenloof: Erect Substation Switch-Yard, Cable	710167	1	6,000,000	0	5,982,228.10	59, 56, 42
Eradication/Reduction of infrastructure back-logs	Wapadrand Substation Stage II Extension	710168	1	5,700,000	0	5,699,952.35	40, 42, 44, 45, 46
Eradication/Reduction of infrastructure back-logs	Pumulani Substation Stage II Extension	710169	1	17,000,000	0	16,987,999.49	5, 43, 49, 52
Eradication/Reduction of infrastructure back-logs	Claudius Substation Stage II Extension	710172	1	18,000,000	0	17,999,743.49	7, 48, 66, 70, 71, 72, 61
Ensure maintenance of existing infrastructure	Replacement of Obsolete and Dangerous Switchgear	710176	1	6,000,000	0	5,993,311.99	Tshwane wide
Provide quality infrastructure for growth	Low -Voltage Network within Towns	710177	1	9,435,000	0	9,150,329	Tshwane wide
Eradication/Reduction of infrastructure back-logs	Electricity for All	710178	1	25,500,000	21,095,000	46,281,261.50	Tshwane wide
Eradication/Reduction of infrastructure back-logs	Electricity for All	710178	6	37,400,000	15,000,000	52,227,673.36	Tshwane wide
Ensure maintenance of existing infrastructure	Geospatial Information Technology Implementation	710180	1	3,000,000	0	3,000,000	Tshwane wide
Provide quality infrastructure for growth	Communication Upgrade: Optical Fibre Net	710325	1	1,000,000	0	990,281.74	Tshwane wide
Ensure maintenance of existing infrastructure	Strengthening 11 kV Cable Network	710480	1	13,000,000	0	12,812,961.98	Tshwane wide
Ensure maintenance of existing infrastructure	Strengthening 11 kV Overhead Network	710481	1	9,000,000	0	8,788,013.63	Tshwane wide

KPA	Project Name	Project number	Fund	R at start of financial year	Adjustments budget	R spent end June 2008	Ward
Provide quality infrastructure for growth	Substations	710484	1	1,200,000	0	1,198,020.20	Tshwane wide
Eradication/Reduction of infrastructure back-logs	Wingate Substation Extension	711511	1	10,000,000	0	10,000,000	45, 46, 47, 57, 65
Eradication/Reduction of infrastructure back-logs	Centurion CBD Capacity Upgrade	711703	1	7,000,000	0	6,987,625.42	65, 64, 66, 69, 70
Eradication/Reduction of infrastructure back-logs	Pre-Paid Electricity Meters	711862	1	20,000,000	0	17,773,851.59	Tshwane wide
Provide quality infrastructure for growth	New Connections	712483	1	25,000,000	17,555,549	40,365,638.34	Tshwane wide
Sustainability management	Energy Consumption Reduction Initiatives	712491	1	1,000,000	0	999,995.93	Tshwane wide
Eradication/Reduction of infrastructure back-logs	Electrification of Winterveld	712492	1	40,000,000	0	39,944,761.88	9,24,12
Provide quality infrastructure for growth	New Depot (Soshanguve)	712493	1	15,000,000	0	1,255,873.69	11, 25, 26, 27, 29, 13, 14
Ensure maintenance of existing infrastructure	Standby Quarters	712601	1	2,000,000	0	123,675	Tshwane wide
Ensure maintenance of existing infrastructure	Protection of Electrical Networks	711645	1	2,000,000	0	1,998,529.34	Tshwane wide
Provide quality infrastructure for growth	New Bulk Infrastructure	712279	1	7,000,000	0	6,999,892.52	Tshwane wide
Eradication/Reduction of infrastructure back-logs	Heatherly/Mamelodi Upgrades	710153	1	15,000,000	0	14,962,494.40	10,40
Eradication/Reduction of infrastructure back-logs	Soshanguve Ringfeeders	712602	1	1,500,000	0	1,494,220.12	37,49
Ensure maintenance of existing infrastructure	Replacement of Obsolete and Non-Functional Equipment	712006	1	2,000,000	0	1,997,374.56	1, 52, 54, 60, 34, 29, 70, 69, 65
Eradication/Reduction of infrastructure back-logs	Ward-Based Project: Electricity	712608	1	7,500,000	0	6,922,977.96	8,9,12,14,19,20, 21,22,24,30,31,3 2,40 (Nellmapius part),43,48,73,74,75,76

5.4.13.1 Street Lighting

(a) Overview and description of key issues

The department has restructured Public Lights which include street lighting and high-masts into one dedicated sub-section from 1 July 2008. The street lighting responsibilities of the Municipality are administered as follows and include:

- Lighting up public roads and public areas for safety and security reasons in the disadvantaged communities.
- Maintenance of existing street lighting and area lighting (high masts) and the expansion of services, but not of parks and public places which resides within the jurisdiction of the national or provincial government, the private sector or other municipal departments.

Key issues

- Cable theft
- Vandalism
- Procurement policies and procedures
- Late delivery of materials, escalation of materials
- Continuous increase of the copper price

(b) Analysis of the function

Analysis of the function	<Statistical information)	2006/07		2007/08	
1	Number and total operating cost of street lights servicing population:	No	R (000s)	No	R (000s)
	Number of street lights and high-mast lights:	222,750	R 162 000	1 809	R25 007
	Note: total street lights should be available from municipal inventory				
2	Total bulk kilowatt hours consumed for street lighting:				
	Gigawatt hours:	18,2	R 14 100	108 GWh	R19 813
	Note: total number of kilowatt hours consumed by all street lighting for year				

» 5.5 MUNICIPAL ENTITIES

5.5.1 Performance highlights

Outline the entity's key performance areas and mention a few outstanding highlights for the period 1 July 2007 to 30 June 2008 per departmental key performance area.

5.5.2. Human resource and other organisational management

5.5.2.1 Organisational structure

5.5.2.2 Staff information

Statistical information	2005/6		2006/07	
Number and cost to employer of all personnel associated with the water distribution function:	No	R (000's)	Nr	R (000's)
- Professional workers (engineers/consultants)	25	6,677	25	8,163
- Fieldworkers (supervisors/foremen)	22	2,151	22	5,377
- Office workers (clerical/administration)	107	9,113	107	9,305
- Non-professional workers (blue collar, outside workforce)	111	7,861	110	6,746
- Temporary workers				<cost>
- Contract workers				<cost>
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.	265	25,802	264	29,591

Key function (as per organisational structure, eg planning; connections etc)	2005/07		2006/07		2007/08	
	Number of posts	Number of posts filled	Number of posts	Number of posts filled	Number of posts	Number of posts filled
Risk and Training					7	2
Finance					85	57
Regional Manager					6	4
Operations					111	102
Waste Water					60	52
Human Resources					10	5
Marketing					41	28
Total					320	250

a) Disclosure of senior staff benefits

Incumbent	Pay number	Designation	Remuneration package per annum (2007/08) R	Bonus R
M J TAETSANE	3000065	MD (ACTING)	411 953	15 352
P S MOKWENA	1001847	HR MANAGER	448 461	20 936
P J AVENANT	3000059	FINANCE MANAGER	475 062	22 887
R J MODISE	1001882	MARKETING MAN-AGER	407176	22 887
S BARONIAN	3000060	OPS MANAGER	660 908	33 887

b) Disclosures concerning Board Members for the period 1 July 2007 to 30 June 2008

Salaries and Wages R'000	Chairperson of the Board	Q1	Q2	Q3	Q4	Total
Normal						
Chairperson of the Board	P Malefo	25000x2	2500	2500x2	2500	15 000
	K Sekhokho	2500x2	2500	2500x2	2500	15 000
	T Makgatho	2500x2	2500	2500	2500	15 000
	M Doms	2500x2	2500	2500	2500	15 000
Travel and motor car						
Administration						
Other benefits and allowances (specify) R '000						
Chairperson of the Board						
Administration						

b) Employment Equity

Occupational Categories	Male		Female						White Male	Foreign Nationals		Total
	A	C	I	A	C	I	W	W		Male	Female	
Legislators, senior officials and managers	3	0	0	1	0	0	0	4	0	0	0	8
Professionals	2	0	0	2	0	0	0	1	0	0	0	5
Technicians and associate professionals	8	0	0	3	0	0	0	2	0	0	0	13
Clerks	49	1	1	53	0	0	1	0	0	0	0	105
Service and sales workers	0	0	0	0	0	0	0	0	0	0	0	0
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0	0	0	0
Craft and related trades workers	26	0	0	0	0	0	0	0	0	0	0	26
Plant and machine operators and assemblers	30	0	0	1	0	0	0	1	0	0	0	32
Elementary occupations	77	0	0	8	0	0	0	0	0	0	0	85
Top-management	2	0	0	1	0	0	0	2	0	0	0	5
Senior management	1	0	0	0	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	5	0	0	2	0	0	0	2	0	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	6	0	1	6	0	0	0	1	0	0	0	14
Semi-skilled and discretionary decision making	89	1	0	52	0	0	0	1	0	0	0	143
Unskilled and defined decision making	92	0	0	7	0	0	1	1	0	0	0	101
Total Permanent	195	1	1	68	0	0	1	8	0	0	0	274
Non-permanent employees	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	195	1	1	68	0	0	1	8	0	0	0	274

5.5.2.4 Skills development**FY 2007/08**

A total number of 135 individuals were trained in terms of skills priorities.

A total expenditure on training for various skills priorities was R 1,214,410.

Skills levies:

A total of R 292,363,51 was paid in skills levies to the SETA FY2006/07 .

A total of R 82,860,73 was claimed back in terms of Grant C and D FY2006/07.

A total of R 313,218,98 was paid in skills levies to the SETA FY2007/08.

A total of R? was claimed back in terms of Grant C FY2007/08.

Learning intervention statistics

Occupational Therapy	Total
Clerks	68
Craft and related trade workers	7
Elementary occupations	
Legislators, senior officials and managers	7
Plant and machine operators and assemblers	44
Professionals	3
Service and sales workers	
Skilled agricultural and fishery workers	
Technicians and associated professionals	6
Bursars	
Temporary employees	
Learnership placements	10
Pensioners	0
Grand Total	
Bursaries:	
Employees	2
Non-employees	0
Non-employees (social responsibility)	0
Mayoral Matric Awards	0
Total	2

Learnerships and apprenticeships for 2007/08:

Name of learnership/ apprenticeship	Number of students during intake of learnership or apprenticeship	Learnership or apprenticeship budget	Provider	Start date	Proposed ending date
Learnerships	10	200 000	Water Academy	Feb 2007	Dec 2008
Apprenticeships	1		Internal	April 2008	March 2009
	Total				

5.5.2.3 Occupational health and safety

Number of Injuries on duty 9

5.5.2.4 Employment wellness management 0

5.5.2.5 Performance management 0

5.5.2.4 Pension funds

The composition of membership per pension and provident fund was as follows:

Fund	2007/08
	Number of members
Sandspruit Works Association Provident Fund	259
Total	

a) Medical aid funds

Membership of the medical aid funds was as follows:

Fund	2007/08
	Number of members
Discovery Medical Aid	22
Sizwe Medical Aid	202
Total	

b) Outstanding amounts owed to the entity by employees

Number of employees	Type of loan/outstanding debt	Total rand owed
	Car loans	
	Council recovery loan	
	Lost goods loan	
	Study loan	R3 3062,74
Total		

Municipality Entity									
Departmental KPA	Programmes/ Projects/ Activities	Indicators	Five-year programme target	2006/07 achievement	2007/08 target	2007/08 achievement	2008/09 target	Rating on 2008/09	Comments and/or corrective actions where applicable
Provide intermediate or higher levels of water services in proclaimed areas	Provide a continuous sustainable water supply to meet the growing demand	ML water purified							
	Continuously repair and maintain existing water infrastructure	R spent on infrastructure (upgrade and replace)							
		R spent on operational maintenance (Opex)							
Comply with minimum water services standards as required by the Department of Water Affairs	Manage quality of water to ensure potable water	Water quality to SANS 241 standard and number of tests performed							
Support job creation through labour intensive projects and EPWP	Create temporary (short-term) jobs in the implementation of capital projects	The number of jobs created through the Municipality's LED initiatives, including capital projects (NKPI)							
Develop viable communities	Give preference to local vendors to provide non-specialised services	Percentage of local vendors used for non-specialised services							
Respond to customer complaints	Respond and manage customer complaints	Number of customer complaints	23 681	22 496	10 320	10 320	-	☺	
		% compliance with turnaround times for service provision to customers	100%	95%	100%	97%	100%	☺	
Implement standard Batho Pele compliant operating procedures at all customer contact points and service desks		Number of service points with Batho Pele operating procedures	5	5	5	5	6	☺	
Capital expenditure		% of Capex spent							

Municipality Entity									
Departmental KPA	Programmes/ Projects/Activities	Indicators	Five-year programme target	2006/07 achievement	2007/08 target	2007/08 achievement	2008/09 target	Rating on 2008/09	Comments and/or corrective actions where applicable
Manage operational expenditure		% of Opex spent							
	Manage remuneration to be within RG targets	Remuneration as a % of the total adjusted operating budget							
Human resource development	Implement workplace skills plan	Number of employees trained			2,71 %	2,15%			
		% of operational budget spent on implementing the workplace skills plan							
Performance management	Manage employee grievances	% of employee grievances finalised				90%			
	Manage employee discipline	Number of employees disciplined according to the disciplinary procedure				4			
	Cascade scorecards down to all organisational levels	Levels to which the scorecards have been cascaded			na	na			
Employment Equity (EE)	Implement and ensure EE	The number of people from the Employment Equity target groups employed in the three highest levels of management in compliance with the Municipality's approved Employment Equity Plan, short-term employment, and long-term employment (NKPI)		2	3	3		😊	
All incidences of fruitless and wasteful expenditure and the R value thereof	Ensure departmental compliance with legislation and no audit qualifications	Number of incidences of fruitless expenditure							
		R value of fruitless expenditure							

Function: Water

Subfunction: Water Distribution

Reporting Level	Detail	2006/07		2007/08		2008/09	
		Total	Cost	Total	Cost	Total	Cost
Overview:	Includes the bulk purchase and distribution of water	18 075 608 kl	R53 100 000,00	18 250 779	R56 026 000,00	18 400 000 kl	R59 591 078,34
Description of the activity:	The water purchase and distribution functions of the municipality are administered as follows and include:						
Operations Department:	OPERATIONS: this is offered to the community as follows:	23 681 queries completed	n/a	10 320 queries completed	Operational expenditure R50854000,00	Not yet available	Budget is operational expenditure R65038000,00
Operational expenditure and repairs and maintenance	1. Maintenance of the water network in terms of pipe leakages, meter leakages pressure						
	2. Continuous supply of water to the end user in terms of 48 hours storage capacity in reservoirs						
	3. Sanitation services						
	4. Water loss management						
	5. Maintain water quality standards						
	These services extend to include <function/area>, but do not take account of <function/area> which sits within the jurisdiction of <national/provincial/other government/private sector>. The Municipality has a mandate regarding the following:						
Water services area	Water services area: Urban Ga-Rankuwa, Mabopane, Winterveld Peri-urban Winterveld A and E informal, Itsoeng, Tusanang, Kopanong	18 075 608 kl	R53 100 000,00	18 250 779	R56 026 000,00	18 400 000 kl	R59 591 078,34

Reporting Level	Detail	2006/07		2007/08		2008/09	
		Total	Cost	Total	Cost	Total	Cost
UAW	<p>The strategic objectives of this function are:</p> <ol style="list-style-type: none"> 1. To reduce water losses in SWA 2. To meet the water volume budget as set out 3. Pressure management and leak detection on main lines 4. To improve and maintain water quality 	n/a	n/a	Operational expenditure, and repairs and maintenance	Operational expenditure, and repairs and maintenance	Operational expenditure, and repairs and maintenance	Operational expenditure, and repairs and maintenance
The key focus areas	<p>The key issues for 2008X/OY are:</p> <ol style="list-style-type: none"> 1. Reduction of UAW 2. Increase operational staff productivity 3. Increase effectiveness of stock control to job card information 4. Better usage of telemetry 5. Improved application of IMQS 6. ensure quality of water, meet SANS 1 standards 7. Achieve and maintain network pressure between 4 and 6 bars 8. Ensure adequate bulk-water supply to SWA service delivery area 9. Improve response time 	n/a	n/a	Operational expenditure, and repairs and maintenance	Operational expenditure, and repairs and maintenance	Operational expenditure, and repairs and maintenance	Operational expenditure, and repairs and maintenance

Reporting Level	Detail	2006/07			2007/08			2008/09		
		Total	Cost		Total	Cost		Total	Cost	
1	Statistical information on (as a minimum)									
	1. Reduction of UAW	n/a	n/a		30%	n/a		28%	n/a	
	2. Increase operational staff productivity	n/a	n/a		80%	n/a		90%	n/a	
	3. Increase effectiveness of stock control to job card information	n/a	n/a		80%	n/a		90%	n/a	
	4. Better usage of telemetry	n/a	n/a		50%	n/a		100%	n/a	
	5. Improved application of IMQS	n/a	n/a		50%	n/a		100%	n/a	
	6. Ensure quality of water, meet SANS 1 standards	n/a	n/a		100%	n/a		100%	n/a	
	7. Achieve and maintain network pressure between 4 and 6 bars	n/a	n/a		50%	n/a		90%	n/a	
	8. Ensure adequate bulk water supply to SWA service delivery Area	n/a	n/a		80%	n/a		90%	n/a	
	9. Improve response time	n/a	n/a		70%	n/a		90%	n/a	
2	Number and cost to employer of all personnel associated with the water distribution function:		R (000s)		STEVE	R (000s)		STEVE	R (000s)	
	- Professional workers(engineers/consultants)	8,163			11,320					
	- Fieldworkers (supervisors/foremen)	5,377			7,277					
	- Office workers (clerical/administration)	9,305			12,533					
	- Non-professional workers (blue collar, outside workforce)	6,764			9,298					
	- Temporary workers									
	- Contract workers									
	Note: Total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.									
	Percentage of total water usage per month									

Reporting Level	Detail	2006/07		2007/08		2008/09	
		Total	Cost	Total	Cost	Total	Cost
Percentage water use per month	JT municipal template/percentage water use per month	1, 400 000 kl per month	1 400, 000, kl per month	1 450 000 kl per month	1 500 000 kl per month	1 500 000 kl per month	<volume>
3	Note: This will therefore highlight the percentage of total water stock used per month						
	Total volume and cost of bulk-water purchases in kilolitres and rand, by category of consumer		R (000s)		R (000s)		R (000s)
Tshwane consumers	Tshwane consumers	18 075 608 kl	R53 100 00 00	18 250 055 kl	R56 026 356,85	18 400 000 kl	R59 591 078,34
Madibeng consumers	Madibeng consumers	9 110 294 kl	R30 763 000,00	9 600 509 kl	R33 893 923,93	9 601 000 kl	R35 109 675,39
4	Total volume and receipts for bulk-water sales in kilolitres and rand, by category of consumer:		R (000s)		R (000s)		R (000s)
Tshwane number of households	45 500 households	18 075 608 kl	R53 100 00 00	18 250 055 kl	R56 026 356,85	18 400 000 kl	R59 591 078,34
Madibeng number of households	14 500 households	9 110 294 kl	R30 763 000,00	9 600 509 kl	R33 893 923,93	9 601 000 kl	R35 109 675,39
	- Category 3 <insert here> (total number of households)	<volume>	<cost>	<volume>	<cost>	<volume>	<cost>
	- Category 4 <insert here> (total number of households)	<volume>	<cost>	<volume>	<cost>	<volume>	<cost>
5	Total year-to-date water losses in kilolitres and rand		R (000s)		R (000s)		R (000s)
Water	UAW	6 073 404	R17 841 599,15	5 475 016 kl	R16 807 904,92	5 152 000 kl	R16 685 501,94
Reporting Level	Detail	Total	Cost	Total	Cost	Total	Cost
6	Number of households with water service, and type and cost of service:		R (000s)		R (000s)		R (000s)
Urban, Ga-Rankuwa Mabopane, Winterveld	- Piped water inside dwelling	44 500	Operational expenditure and repairs, and maintenance	45 500	Operational expenditure and repairs, and maintenance	46 000	Operational expenditure, and repairs and maintenance

Reporting Level	Detail	2006/07		2007/08		2008/09	
		Total	Cost	Total	Cost	Total	Cost
	- Piped water inside yard	14 500	Operational expenditure, and repairs and maintenance	15 500	Operational expenditure, and repairs and maintenance see	16 580	Operational expenditure, and repairs and maintenance
	- Piped water on community stand: distance < 200 m from dwelling	14 500	Operational and maintenance expenditure	15 500	Operational expenditure, and repairs and maintenance	16 580	Operational expenditure, and repairs and maintenance
	- Piped water on community stand: distance > 200 m from dwelling	n/a	n/a	n/a	n/a	n/a	n/a
	- Borehole	n/a	n/a	n/a	n/a	n/a	n/a
	- Spring	n/a	n/a	n/a	n/a	n/a	n/a
	- Rain-water tank	n/a	n/a	n/a	n/a	n/a	n/a
	Note: If other types of services are available, please provide details						
7	Number and cost of new connections:		R (000s)		R (000s)		R (000s)
	< detail total >	na	na	6596	SEE	2673	SEE
8	Number and cost of disconnections and reconnections:		R (000s)		R (000s)		R (000s)
	< detail total >	< number >	< cost >	< number >	< cost >	< number >	< cost >
9	Number and total value of water projects planned and current:		R (000s)		R (000s)		R (000s)
	- Current (financial year after year reported on)	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane
	- Planned (future years)	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane
	Note: Provide total project and project value as per initial or revised budget						
10	Anticipated expansion of water service:		R (000s)		R (000s)		R (000s)
	- Piped water inside dwelling	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane

Reporting Level	Detail	2006/07		2007/08		2008/09	
		Total	Cost	Total	Cost	Total	Cost
	- Piped water inside yard	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane	City of Tshwane
	- Piped water on community stand: distance < 200 m from dwelling	n/a	n/a	n/a	n/a	n/a	n/a
	- Piped water on community stand: distance > 200 m from dwelling	n/a	n/a	n/a	n/a	n/a	n/a
	- Borehole	n/a	n/a	n/a	n/a	n/a	n/a
	- Spring	n/a	n/a	n/a	n/a	n/a	n/a
	- Rain-water tank	n/a	n/a	n/a	n/a	n/a	n/a
	Note: Provide total number of households anticipated to benefit and total additional operating cost per year to the Municipality						
11	Estimated backlog in number (and cost) to provide water connection:		R (000s)		R (000s)		R (000s)
	- Piped water inside dwelling	0	0	0	0	0	0
	- Piped water inside yard	0	0	0	0	0	0
	- Piped water on community stand: distance < 200 m from dwelling	0	0	0	0	0	0
	- Piped water on community stand: distance > 200 m from dwelling	0	0	0	0	0	0
	- Borehole	0	0	0	0	0	0
	- Spring	0	0	0	0	0	0
	- Rain-water tank	<total>	<cost>	<total>	<cost>	<total>	<cost>
	Note: Total number should appear in IDP, and cost in future budgeted capital housing programmes						
12	Free basic service (FSB) provision:						
	- Quantity (number of households affected)	4 661 households		4 634 households		5 350 households	
	- Quantum (value to each household)	5 9317 kl R182 096,00		110 953 kl R325 992,25L		76 549 kl R247 915 00	

Reporting Level	Detail	2006/07			2007/08			2008/09		
		Total	Cost		Total	Cost		Total	Cost	
13	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of free basic services provided. Type and number of grants and subsidies received: <list each grant or subsidy separately>					R (000s)				R (000s)
	Note: Total value of specific water grants actually received during the year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year	n/a	n/a		n/a	n/a		n/a		n/a
14	Total operating cost of water distribution function	na	na		1 030 queries completed	Operational expenditure R50 854 000,00		Not yet available		Budget is operational expenditure R65 038 000,00
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target		Current	Target		Current	Target	
Key performance area	1. Reduction of UAW	n/a	30%		n/a	n/a		28%	n/a	
	2. Increase operational staff productivity	n/a	80%		n/a	n/a		90%	n/a	
	3. Better usage of telemetry	n/a	80%		n/a	n/a		90%	n/a	
	4. Ensure quality of water, meet SANS 1 standards	n/a	50%		n/a	n/a		100%	n/a	
	5. Achieve and maintain network pressure between 4 and 6 bars	n/a	50%		n/a	n/a		100%	n/a	
	6. Ensure adequate bulk water supply to SWA service delivery area	n/a	80%		n/a	n/a		90%	n/a	
	7. Improve response time	n/a	70%		n/a	n/a		90%	n/a	

MUNICIPAL LEVEL REPORTING								
Municipal KPA	Programmes/ Projects/Activities	Indicators	Five-year programme target	2006/07 achievement	2007/08 target	2007/08 achievement	2008/09 target	Comments and /or corrective actions where applicable
Support good governance through effective and efficient corporate management policies and practices	Legislative compliance	% compliance with all relevant legislation, policies and procedures						
	Sustainability management	% increase in revenue collection						
Support corporate human resource management policies and practices	Employee wellness	HIV and Aids Awareness and VCT: Number of peer educators/HIV and Aids counsellors		All employees 0	2,74 0		All employees 8	
		Number of staff who have undergone VCT			0	+ -30		We hope the number will increase
	Develop culture change framework; cascade individual performance agreements	Level to which individual performance agreements has been cascaded						We are in the process of setting up a performance management system
	HRD	% implementation of skills development plans			100%	80%		
		% improvement in skills capacity	Improve organisational skills capacity by at least 5% per annum					To set up a measurement system

MUNICIPAL LEVEL REPORTING									
Municipal KPA	Programmes/ Projects/Activities	Indicators	Five-year programme target	2006/07 achievement	2007/08 target	2007/08 achievement	2008/09 target	Comments and /or corrective actions where applicable	
		Number of employees trained				135	274		
		% implementation of approved Skills Development Plan, Career Management Plan and competency framework							
	Employee grievances	% of employee grievances finalised							
Increase participation and broaden the contribution in growing the city's economy through the development of SMME's, cooperatives, the informal sector and the role of black people, women and the youth	BBBEE	% of BBBEE vendors used							
Improve administrative efficiencies		R cost of administrative services to total operating expenditure							

CITY SCORECARD									
Strategic Objective	Key Performance Area	Programmes/ Projects/ Activities	Key Performance Indicator	Five-year programme target	2006/07 achievement	2007/08 target	2007/08 achievement	2008/09 target	Comments and/or corrective actions where applicable
	Buildings and facilities management		Number of City of Tshwane buildings compliant with building regulations as a proportion of total City of Tshwane owned buildings						
	Fleet maintenance	R operating cost per fleet vehicle ¹¹⁶	Lease	38	38	44	44	0	
			Owned:						

¹¹⁶ The goal is to maintain the cost within CPIX (Consumer Price Index)

Financial reporting (also see sheet duplicated in Excel on finances) -

Analysis of the function:						
1.	Debtor billings: Number and value of monthly billings: Function - <list function here eg: water, electricity etc> Number and amount billed each month across debtors by function (eg: water, electricity etc): Water and Sanitation Billing	R (000s)	<total> <number>	<total> <number>	R (000s)	<total> <value>
	July	38 842	4 937	42 423	6 323	6 323
	August	39 060	4 830	42 769	6 336	6 336
	September	39 186	5 120	43 012	7 188	7 188
	October	39 394	5 507	43 123	6 866	6 866
	November	40 124	5 804	43 369	6 417	6 417
	December	40 268	5 416	44 188	6 866	6 866
	January	40 551	5 796	44 251	7 439	7 439
	February	40 681	5 734	44 572	5 818	5 818
	March	41 492	5 880	45 112	6 331	6 331
	April	41 857	6 338	45 288	6 266	6 266
	May	42 077	5 786	45 454	6 803	6 803
	June	42 175	5 590	45 913	6 138	6 138
2.	Debtor collections: Value of amount received and interest: Function - <list function here eg: water, electricity etc> • Value received from monthly billings each month and interest from the previous month across debtors by function (eg: water, electricity etc) Water and Sanitation Monies Collected	R (000s)	<total> <received>	<total> <received>	R (000s)	<total> <interest>
	July	3 913	1 064	4 075	966	966
	August	4 507	1 082	5 263	975	975
	September	4 122	1 098	4 427	1 004	1 004
	October	4 130	1 113	4 426	1 032	1 032
	November	4 204	1 135	5 206	1 063	1 063
	December	3 201	1 164	3 690	1 090	1 090
	January	4 813	1 192	4 775	1 416	1 416
	February	4 903	1 213	5 197	1 454	1 454
	March	4 958	1 228	3 906	1 507	1 507
	April	3 835	1 253	6 805	1 542	1 542
	May	4 638	1 292	4 743	1 573	1 573
	June	3 833	1 326	5 237	1 605	1 605

Analysis of the function:

	Note: Create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function				
3.	Debtor analysis: Amount outstanding over 30, 60, 90 and 120 plus days: Function - <list function here eg: water, electricity etc> • Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (eg: water, electricity etc) Water and Sanitation Debtors Outstanding – Age Analysis Domestic debtors – Current • 30 Days • 60 Days • 90 Days+ Commercial debtors – Current • 30 Days • 60 Days • 90 Days+ Government debtors – Current • 30 Days • 60 Days • 90 Days+	R (000s)		R (000s)	
		<total>		<total>	
		06/07 Act R(000's)		07/08 Est R(000's)	
		5 079		5 617	
		4 390		4 837	
		4 583		4 294	
		138 985		169 685	
		1 027		947	
		421		327	
		454		264	
		4 278		5 906	
		648		213	
		804		338	
		626		851	
		3 599		6 692	
	Note: Create a suitable table to reflect debts outstanding over 30, 60, 90 and 120 plus days across debtors by function				
4.	Write off of debts: Number and value of debts written off: - Total debts written off each month across debtors by function (eg: water, electricity etc)	R (000s)		R (000s)	
		<number>		<number>	
	Note: Create a suitable table to reflect write offs each month across debtors by function				
5.	Property rates (Residential): n/a - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year	R (000s)		R (000s)	
		<number>		<number>	
		<number>		<number>	
		<number>		<number>	
		<number>		<number>	

Analysis of the function:

Reporting Level	Detail	Total		Total	
6.	Property rates (Commercial): n/a		R (000s)		R (000s)
	- Number and value of properties rated	< number >	< value >	< number >	< value >
	- Number and value of properties not rated	< number >	< value >	< number >	< value >
	- Number and value of rate exemptions	< number >	< value >	< number >	< value >
	- Rates collectible for the current year		< value >		< value >
7.	Regional Service Council (RSC) levies: n/a		R (000s)		R (000s)
	- Number and value of returns	< number >	< value >	< number >	< value >
	- Total establishment levy		< value >		< value >
	- Total services levy		< value >		< value >
	- Levies collected for the current year		< value >		< value >
8.	Property valuation: n/a				
	- Year of last valuation	< year >		< year >	
	- Regularity of valuation	< cycle >		< cycle >	
9.	Indigent Policy:				
	- Quantity (number of households affected)	< total >		< total >	
	- Quantum (total value across municipality)				
	Water and Sanitation	06/07 Act Number	Debt outstanding R000's	07/08 Est Number	Debt outstanding R000's
	Indigents	4 634	9 439	5 439	8 342
10.	Creditor payments:	R (000s)		R (000s)	
	Note: Create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days				
	Major Creditors				
	Randwater	6 705	30 days	7 337	30 days
	Davis and Deale	666	60 days	668	60 days
	MicroMega Revenue	976	60 days	975	60 days
	Swift Distributors	998	60 days	1 013	60 days
	Valvomatic	320	60 days	318	60 days

